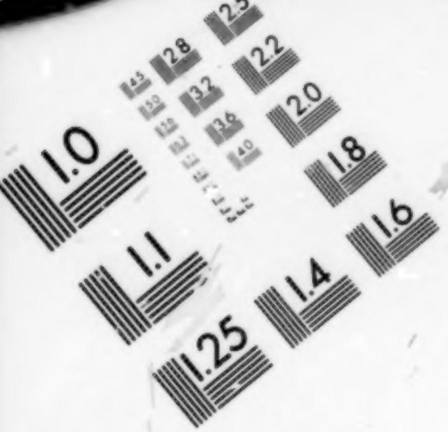
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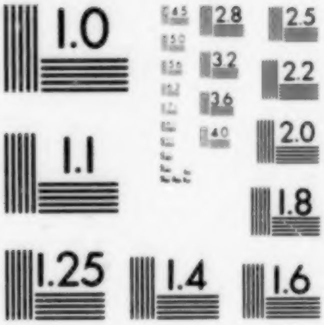
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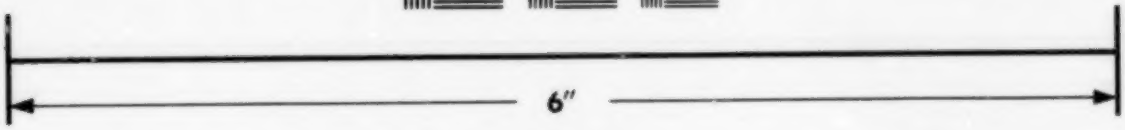

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East Asia

FBIS-EAS-92-014
Wednesday
22 January 1992

Daily Report
East Asia

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Senior ASEAN Officials Discuss Summit Agenda

BK1801075092 Kuala Lumpur BERNAMA in English 0410 GMT 18 Jan 92

[Text] Singapore, Jan 18 (OANA-BERNAMA)—Senior officials of ASEAN began their meetings here Saturday, to finalise the groundwork for the fourth summit of their heads of government on January 27.

The senior officials in three groups, will work out the whole spectrum of the 24-year-old regional grouping's cooperation ranging from political issues to cultural affairs over the next two days.

The first senior officials meeting (SOM) comprises the directors-general, secretaries-general or permanent secretaries of the respective foreign ministries of the six member countries—Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

The SOM usually focuses on the political and security issues of the grouping, apart from the its external relations.

The second group of senior economic officials (SEOM) consisting of the bureacratic heads of the respective economic ministries, will look into the "meat" or substance of the grouping's economic cooperation.

The third group of ASEAN directors-general takes care of the housekeeping and secretariat work of the organisation.

These three groups of officials will have a joint consultative meeting (JCM) on Tuesday, before reporting back to their foreign and economic ministers who are to meet separately on Thursday.

The joint ministerial meeting (JMM) of the ASEAN Foreign and Economic Ministers will follow on Friday, leading up to the summit.

No EAEC Modifications Expected

BK1901145692 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 19 Jan 92

[Text] ASEAN senior officials and senior economic officials are to hold a joint consultative meeting on Tuesday [21 January] to discuss how to move forward the East Asia Economic Caucus, EAEC, proposal. The senior officials meeting (SOM) to prepare for the fourth ASEAN summit on January 27th to 28th concluded today after two days of discussions, while the senior economic officials meeting (SEOM) will continue tomorrow.

Malaysian Foreign Ministry Secretary General Datuk Ahmad Kamil Jaafar told Malaysian reporters in Singapore that the senior officials have agreed to take up the question with the senior economic officials. He reiterated that there is no question of new elements or adjustments to the principles of the EAEC agreed to by the ASEAN economic ministers at their meeting in Kuala Lumpur last October. Emerging from the SOM, Datuk Ahmed Kamil said the decision of the economic ministers stands.

Asked whether the EAEC would bring conflict to the Asia Pacific Economic Cooperation, APEC, he said Malaysia has repeatedly stressed the aim of the trading system is to improve economic relations with other regional economic groupings, including APEC. However, it has never been Malaysia's intention to place the EAEC in conflict with other members of APEC.

The ASEAN countries, together with the United States, Japan, Australia, New Zealand, and South Korea, are members of APEC. The EAEC concept calls for the inclusion of the ASEAN six and other East Asian countries. Datuk Ahmed Kamil said, in Malaysia's view, EAEC would support the activities of APEC as well. He also said the type of framework of the EAEC is something that the officials will discuss on Tuesday. He said he is optimistic of the EAEC proposal despite some reservations expressed about its formation.

Meanwhile, Thai officials said Thailand supports the proposal but it does not want to see the EAEC in conflict with APEC. They added that further discussions are needed on the EAEC.

The Assistant Secretary of the Office of Asian and Pacific Affairs, Department of Foreign Affairs of the Philippines Mr. (Ramualdo Aaong) said the EAEC is an idea that is worth considering. There is no question of not being [words indistinct] by the ASEAN economic ministers.

Malaysia Seeks EAEC Converts

BK2001020792 Bangkok THE NATION in English 20 Jan 92 p A2

[By Oranut Anasaksathian and Kunchada Chaiphiphat]

[Text] Singapore—Malaysia is having a tough time convincing the rest of ASEAN to adopt the East Asian Economic Caucus (EAEC) as part of ASEAN economic cooperation because the move would put the six-nation grouping in direct confrontation with major trading partners.

Senior officials from ASEAN yesterday exchanged views on the proposal but could not make any conclusive decision. They agreed to forward the issue to the ASEAN Economic Ministers who meet on Thursday.

The main components that make up the Malaysian proposal, conceived by Malaysian Prime Minister Mahathir Mohamad in late 1990, involve the membership and the objectives of the organization.

Malaysia initially wanted the grouping to be an exclusive body for East Asian nations only, thus excluding such major ASEAN trading partners as the United States, Canada, the European Community, Australia and New Zealand.

Instead, it suggested that Taiwan, China, Hong Kong, South Korea, Japan and Vietnam be included in the organization, which has yet to be formed, to counter the threat of regionalism in Europe and North America.

Kuala Lumpur also wanted the EAEC to serve the region's interests to harness and strengths of the economies and therefore make it "an effective voice" in international economic relations.

The United States has opposed the proposal while Japan, which is supposed to be the driving force of the new group, has not been giving it support.

Although the concept was discussed at length by a working group and endorsed by the economic ministerial meeting last October in Kuala Lumpur, the major question over its implementation has to be decided by the heads of state attending the ASEAN Summit Meeting this week in the island republic.

Indonesia, the largest ASEAN member, has objected to the body, a view not publicly shared by the other ASEAN countries.

After a meeting of senior officials here, Wiryono Sastrohandoyo, Indonesia's director-general for political affairs, expressed disapproval of the proposal, saying that the EAEC did not exist within any existing framework that would make it acceptable.

Citing the Cairns Group of 14 farm exporting nations in which Thailand and Indonesia are active members, as an example of an acceptable caucus, Wiryono said the Cairns Group was created under the framework of the Uruguay Round of multilateral trade talks as a means to assert the voice of farm exporting countries.

Similarly, the US Congress has a Western States Caucus to represent the interests of western states, he said. "But the EAEC is not within a framework of anything. How can the caucus exist by itself?" Ryono queried.

However, he dismissed earlier reports that Indonesia wanted to assert "some additional elements" to make the proposal less confrontational.

A senior Thai official said Thailand supported the EAEC as it would provide a forum for member countries to consult on issues of mutual concern. But such an organization should not discriminate against any other trading nation which might contradict with Thailand's obligations under the General Agreement on Tariffs and Trade (GATT) to grant the same treatment to all signatory countries.

Thailand is concerned that the EAEC, which exludes non-East Asian countries, would put ASEAN and Thailand in direct confrontation with other trading partners. Nor did Thailand want the new proposal to dilute the existing mechanisms such as the Asia Pacific Economic Cooperation (APEC), a consultative body of the 12 member countries in the Asia-Pacific region.

The official, who asked not to be named, said the EAEC proposal as it stands now is not considered a part of an attempt to enhance ASEAN economic cooperation. Rather, the Malaysian proposal is seen in the context of the six ASEAN nation's relations with non-members.

Moreover, there was no conclusion yet on the scheme because of its far-reaching political implications, but the economic ministers who endorsed the proposal in October last year at their annual meeting would decide on the issue again when they start their meeting on Thursday in preparation for the ASEAN summit on Jan 27-28.

—Though it will be the first time in more than 10 years of ASEAN meetings that the Cambodian problem will be overshadowed by economic issues, its significance in regards to the unity of ASEAN—and a vehicle that brought the group into the limelight—would be observed in a joint declaration to be issued by the six ASEAN leaders.

Foreign Ministry Permanent Secretary Witthaya Wetchachiwa said Thailand has proposed that the Summit adopt Cambodia's problems as a basis of future ASEAN cooperation in other areas.

Witthaya said Thailand is also proposing joint cooperation between ASEAN and the Indochinese nations to rehabilitate and reconstruct Cambodia.

On future integration of Vietnam, Laos, Cambodia and Burma into the mainstream of South East Asia, Witthaya said opinions were still divided.

Witthaya said some states were concerned that quick integration would change the course of ASEAN cooperation and its setup.

He said ASEAN leaders this time would raise the question in informal discussions. However, Brunei's phased integration into ASEAN could possibly serve as a model for the Indochinese states.

ASEAN leaders will call for speedy implementation of the Cambodian peace accord to open the way for a new era of cooperation between the six-nation grouping and a peaceful Indochina, according to senior officials.

Though the Cambodian conflict ended with the signing of the peace accord in Paris last October, there is general concern among ASEAN states, in particular Thailand, Cambodia's immediate neighbour, that further delays to enforcing the agreement would provide opportunities for the civil war to break out again.

Emerging from a meeting of ASEAN senior political officers here on Saturday, Romualdo A Ong, the Philippines' assistant secretary for ASEAN and Pacific Affairs, said ASEAN has reason to be concerned about the future of post-war Cambodia as long as the peace accord is not completely implemented.

Ong said ASEAN will call for quick implementation of the peace accord, which he said had opened a new chapter in the Indochina-ASEAN relationship.

Witthaya, the head of the Thai delegation of senior officials, said there were serious problems in carrying out the peace accord, but did not elaborate.

Cambodia Peace Process Viewed

BK1901013692 Bangkok BANGKOK POST in English 19 Jan 92 p 5

[Text] Singapore—ASEAN will call on the United Nations to speed up its peace-keeping process in Cambodia by strengthening its presence there.

This call is one of the main points of the draft joint declaration on the Cambodian issue concluded yesterday by senior ASEAN officials in advance of the 4th ASEAN Summit to be held here on January 27-28.

Mr Witthaya Wetchachiwa, permanent secretary of the Thai Foreign Ministry, said yesterday that ASEAN recognises that there is a "serious problem" in implementing the UN peace accord reached last October in Paris and would like to see the UN fully implement its plan as soon as as possible.

The UN has, so far, sent only 100 peace-keepers to Cambodia while deployment of the full contingent of over 1,000 soldiers could be 12 months away.

However, ASEAN wants to see the full contingent of UN peace-keeping soldiers deployed in Cambodia by mid-year.

Thailand is playing a key role in the reconstruction of war-torn Cambodia and has recently sent a military delegate to the UN headquarters in New York to work out details of the plan to clear landmines.

Thailand will also send some 700 soldiers to Cambodia by the end of this month to commence landmine clearing operations.

ASEAN diplomats and senior officials meeting here are preparing a report which would serve to invite countries in Southeast Asia to accede to the Treaty of Amity and Cooperation in Southeast Asia.

The report will also serve as recommendations to be submitted to the heads of state at the ASEAN summit.

After having met with success on the political field there is a wish to extend this atmosphere of cooperation to the economic field, diplomats here said.

Sources said that in the original report Singapore did not want the Cambodian issue to be in the declaration. However, Thailand wanted it to be included since ASEAN had pressured Vietnam for 13 years to withdraw troops from Cambodia.

In the end Thailand had to work out this formula on its own to some dissatisfaction on the part of Singapore, sources said.

Senior ASEAN officials yesterday also discussed external relations with its dialogue partners and wanted to uplift the status of the former Soviet Union and China to full dialogue partners.

At present Vietnam and Laos have already agreed to the terms of the treaty and officials are waiting for Burma and Cambodia to do the same.

A programme of action is also being considered on the method and protocol of inviting ASEAN's dialogue partners to accede to the treaty. These dialogue partners include the United States, states in the former Soviet Union, Japan, Canada, Australia, New Zealand, and South Korea.

Thais Seek AFTA Implementation

BK1901041192 Bangkok THE NATION in English 19 Jan 92 p A2

[By Kunchada Chaiphiphat and Oranut Anasaksathian]

[Text] Singapore—Thailand wants the proposed ASEAN Free Trade Area (AFTA), initiated by Prime Minister Anan Panyarachun, to be implemented immediately after the Jan 27-28 Summit Meeting, a senior Thai official said yesterday.

Witthaya Wetchachiwa, permanent secretary of foreign affairs and head of the team of senior Thai officials, told reporters after yesterday's meeting that Thailand wanted the proposal to create a free trade area among the six member countries to be implemented "as specificly and expeditiously as possible". But he declined to elaborate.

It has become "public knowledge", he said, that the ASEAN Free Trade Area should be accomplished within a 15-year timeframe, but the starting date of the scheme has not been clearly fixed.

According to the Thai proposal on AFTA, submitted to the Economic Ministers' Meeting in Kuala Lumpur last October, Thailand suggested that the scheme be implemented on Jan 1, 1993.

Witthaya's statement yesterday was apparently to pressure some ASEAN countries which are reportedly reluctant to go ahead as quickly and as progressively as the initial Thai proposal recommended. The official, nevertheless, expressed full confidence that the proposal would gain strong support from the heads of ASEAN when they meet next week.

Originally, Thailand wanted the timeframe to be set at 10 years, but after consulting with ASEAN countries, some of which objected to the tight deadline, it was stretched to 15 years.

But observers said the time needed to achieve the establishment of the ASEAN Free Trade Area did not pose much of a problem now. Of more concern was the approach and the mechanisms to reduce the tariff barriers in trade among the six ASEAN countries over the years, sources said.

Although ASEAN has adopted the Indonesian proposal, the Common Effective Preferential Tariff (CEPT), as a main mechanism to reduce the tariff rates on industrial goods traded among the six member countries to 0-5 per cent within 15 years, apparently they are divided on how this should be implemented.

Thailand wanted a 20 per cent tariff cut across the board for products which are subject to import taxes of higher than 20 per cent within 5-8 years. After that further tariff reductions to 0-5 per cent should be undertaken within 7-10 years.

For products which are already charged tariff rates below 20 per cent, the tariffs should be cut as soon as possible so that by the 15th year, the effective tariffs on these products should not exceed 5 per cent.

But it was reported that some countries still prefer a product by product approach, which was the basis of the Preferential Trading Arrangement (PTA), scheme to expand trade among the six countries which proved to be unsuccessful.

Where non-tariff barriers were concerned, Thailand wanted them to be reduced in proportion to the cuts to tariff barriers. But the Indonesia's CEPT scheme "apparently does not address this issue."

In another development, the ASEAN countries plan to delegate more power to the secretary-general of their Jakarta-based secretariat as part of a major restructuring attempt to cope with the rapidly-changing economic and political situations worldwide.

Under this arrangement, the ASEAN secretary-general will be openly recruited for the first time instead of being rotated among member states as was the tradition. The official, in that instance, will be delegated more power, giving him the freedom to recommend and initiate new action plans beyond the administrative level.

The secretary-general of the ASEAN Secretariat will be renamed secretary-general of ASEAN, signifying his representation of all the six member countries. Moreover, his status will be upgraded from that of an ambassador to minister.

The discussion is still continuing on the tenure of the secretary-general whose term is currently four years. A tenure of between 3-5 years with an option to extend the term was discussed by ASEAN senior officials who started their formal meeting yesterday in preparation for the upcoming ASEAN Summit meeting.

Emerging from a lengthy meeting of ASEAN senior officials yesterday, Romualdo A. Ong, Philippines' assistant secretary for Asian and Pacific Affairs, said the need to undertake the internal restructuring of ASEAN was raised by member states who felt that the regional body would lag behind other groupings in other parts of the world without a strong and efficient organization to serve it.

Agreement on Defense Security Talks

BK2001014492 Bangkok THE NATION in English 20 Jan 92 p A1

[By Oranut Anasaksathian and Kunchada Chaiphiphat]

[Text] Singapore—Senior ASEAN officials yesterday agreed for the first time to discuss future security cooperation at a meeting in Manila to be held immediately after the ASEAN Summit here, a senior Malaysian official said.

The agreement is one of the elements in the draft Singapore Declaration to be endorsed by leaders of the six ASEAN countries at their meeting on Jan 27-28.

Malaysian Foreign Ministry secretary general Datuk Ahmad Kamil Jaafar said the high-level discussion on security would be expanded to include ASEAN security officials.

He maintained that the security conference as such would not take the same shape as the Conference on Security Cooperation in Europe, stressing that ASEAN should implement its own ideas.

Datuk Ahmad said the forum would also be open to the three Indochinese nations—Laos, Cambodia and Vietnam—to join in the future.

"Due to changes in the region, particularly in Indochina, Vietnam, Laos and Cambodia would have to be involved in future talks (about) security," he said.

At the summit meeting, ASEAN leaders will express support for the accession to the Treaty of Amity and Cooperation in Southeast Asia by Vietnam and Laos.

On the Soviet Union, Datuk Ahmad said there was no consensus as to whether ASEAN would recognize the takeover of the permanent Soviet seat at the UN Security Council by the Russian Republic. ASEAN leaders agree to discuss this matter further at their meeting in Manila, the secretary general said.

ASEAN senior officials yesterday finalized a joint declaration outlining broad areas of future cooperation in the political and economic spheres as well as the restructuring of the ASEAN Secretariat. The document will be submitted for consideration by ASEAN foreign ministers when they meet on Thursday.

A senior Foreign Ministry official said ASEAN had agreed to use the treaty as a means to shape a new regional order which will involve non-ASEAN countries, including the five permanent members of the UN Security Council and ASEAN dialogue partners.

Meanwhile, ASEAN economic officials yesterday were still at odds on ways to implement the ASEAN Free Trade Area (AFTA) proposal and will have to return to the negotiating table today.

Indonesia and the Philippines are cited as the most vocal opponents of the scheme for fear of far-reaching adverse impacts on their developing economies if the six member countries of ASEAN implement the scheme too quickly.

A senior Indonesian delegate, who asked not to be named, viewed the proposal as "too detailed, as if ASEAN is going to form a customs union."

But Phatchara Itsarasena, leader of the Thai economic officials, said ASEAN economic officials were able to put the finishing touches on the framework agreement, which spells out the implementation of AFTA within a 15-year timeframe as the main objective of ASEAN economic cooperation.

Phatchara Itsarasena, described the three-hour discussion yesterday as "bits and pieces", with no significant progress being made in the trade liberalization procedure.

Thailand was apparently disappointed by the lack of strong support from the member countries, particularly from Indonesia, whose proposal on the Common Effective Preferential Tariff (CEPT) as adopted by the economic ministers last October as a mechanism to liberalize trade within the grouping.

The draft agreement on the CEPT was proposed by Indonesia as a means of achieving the free trade agreement by gradually reducing tariffs on industrial products to 0-5 percent within the specified timeframe.

At the discussion yesterday, both Indonesia and the Philippines were reluctant to go ahead with Thailand and Singapore, which suggested that the implementation of the free trade zone be undertaken as "quickly and progressively" as possible.

As a result, the meeting was able to go through only the first part of the eight-page draft agreement and did not agree on any significant issues.

Security Outlook Differences Noted

BK1901082692 Hong Kong AFP in English 0739 GMT 19 Jan 92

[By Peter Mackler]

[Text] Singapore, Jan 19 (AFP)—As Southeast Asian countries ponder their security in the post-Cold War era, differences persist over how much or whether they still need the U.S. presence as a main stabilising force.

Security will be a key topic when the leaders of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand meet here January 27 and 28 for the fourth Association of Southeast Asian Nations (ASEAN) summit.

But a pre-summit survey by AFP highlighted disagreement among the six states in their approach to the question, with little consensus emerging even on establishment of a forum for airing security concerns.

These concerns have been heightened by the scheduled departure of U.S. forces from the Philippines this year and Washington's acknowledgement it will be scaling down, but not eliminating, its military presence in the region.

Singapore is the most outspoken proponent of a continued U.S. presence and has granted the Americans expanded use of facilities here for ship visits and repairs, Air Force training missions and logistical command operations.

Brigadier General George Yeo, minister of information and the arts as well as second minister for foreign affairs, said last week the prospect of Asia without U.S. forces for the next 20 years was "frightening."

"All our hopes for East and Southeast Asia may then come crashing down," he said in a speech. "Japan will be forced to rearm. China and Korea will oppose Japan and a whole chain reaction of destabilisation will be triggered off in the region."

Thailand also supports a U.S. presence as a guarantor of continued stability and economic prosperity. Malaysia is more cautious publicly but its officials, who are also discussing use of their ship-repair facilities, privately back a prolonged U.S. security role.

The Philippines, however, has called on its ASEAN partners to shoulder more of the security burden after the U.S. pullout from Clark Air Base last year and the scheduled shutdown of Subic Bay Naval Station by December 31.

Assistant Foreign Secretary Romualdo Ong said Manila was not advocating a military alliance, but Southeast Asian states would have to take "a more active role in shoring up their defense arrangements individually and collectively."

Indonesia has been a tireless champion of the Zone of Peace, Freedom and Neutrality (ZOPFAN), a Malaysian initiative to keep the region superpower-free which was endorsed by ASEAN in 1971 but never followed up. It was expected to be on the summit agenda.

Former Foreign Minister Mochtar Kusumaatmadja told a forum in Kuala Lumpur last week that Washington's presence was only part of its global strategy. "We cannot allow the security of our region to be dependent on the vicissitudes of the United States," he said.

Some ASEAN officials suggest revitalising the 1976 ASEAN Treaty of Amity and Cooperation which commits them to settling disputes peacefully. Papua New Guinea is a signatory and Laos and Vietnam are expected to be invited to join at the summit.

Thai Prime Minister Anand Panyarachun said in an interview published in Singapore's SUNDAY TIMES newspaper that he would propose inviting the United States, Russia, Britain, France and China to also sign.

Beyond the specific strategies for ensuring regional security, ASEAN countries have been grappling for years with the idea of whether to establish some type of forum devoted to such matters.

The Philippines is the main exponent of a regional security forum but most other officials prefer a bilateral approach and show little enthusiasm for formal structure like the Conference on Security and Cooperation in Europe (CSCE).

Officials have said the summit would take up proposals for a looser consultative arrangement, perhaps using existing structures such as the post-ministerial conference (PMC) following the annual meeting of ASEAN foreign ministers.

But Malaysia, for one, has balked at the idea floated by Japan of making a security mechanism out of the PMC, which groups ASEAN with the United States, Japan, Canada, South Korea, Australia, New Zealand and the European Community.

"We think it is still premature," said Ahmad Kamil Jaafar, secretary general of the Malaysian Foreign Ministry.

He also said the participation of the Russians and the Chinese, who were invited to their first PMC last year, would be reviewed at the summit here in light of the breakup of the Soviet Union. One Asian official said a regional approach to security would not be incompatible with bilateral accords or smaller pacts like the Five Powers Defence Arrangement linking Singapore, Malaysia, Britain, Australia and New Zealand.

"This is very much an evolving process," said the official, who asked not to be named. "How it will turn out I do not know."

Importance of NGOs Stressed

BK2001095592 Kuala Lumpur BERNAMA in English 0410 GMT 20 Jan 92

[Text] Singapore, Jan 20 (OANA/BERNAMA)—ASEAN senior officials are to recommend to their heads of government meeting here next week that non-governmental organisations (NGOs) be brought into the mainstream of its activities, a Malaysian official said Monday.

He said the officials, who met over the last two days to prepare for the fourth ASEAN summit, felt that the NGOs could play an important role in countering campaigns by those in the West which have been creating undue pressure on the region over issues like the environment.

"We feel that now we have to coordinate the activities of our NGOs and keep them up-to-date with the actual situation so that they can present the actual situation to their western counterparts," he added.

All these, he said, would be carried out under the scope of functional cooperation in ASEAN.

ASEAN NGOs, numbering more than 30, groups professionals and leaders of a particular fields, ranging from lawyers' groups to accountants and environmentalists.

Some of the ASEAN countries have, in recent months, come under fire from a number of Western NGOs over the felling of their tropical rainforests.

Others were criticised over the question of human rights and other issues.

Another recommendation to the summit under intra-ASEAN functional co-operation would be the need for promotion of better understanding among the peoples of ASEAN to start at the level of the young.

In this respect, it called for a greater exchange of students among the six member countries—Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand.

Universities in the region should also begin to place more emphasis on ASEAN, and undertake more research on the grouping.

"All these will eventually lead to the creation of an ASEAN university," the official said.

Tariff Agreement Exemption Proposed

BK2001100692 Jakarta ANTARA in English 0724 GMT 20 Jan 92

[Text] Singapore, Jan 20 (OANA/ANTARA)—A meeting of ASEAN economic officials here on Sunday has come to a consensus to forward a proposal that ASEAN nations be exempted from the obligation to join the Common Economic Preferential Tariff (CEPT) agreement, but that those which have already joined it shall not be able to cancel their decision, an Indonesian official said.

As such ASEAN countries should be free to make a choice when to join the agreement, said Indonesian delegate to the meeting Ilchaidi Elias who is concurrently Secretary General of the Industry Ministry.

Elias told journalists here on behalf of K. Algamar who is at the head of the Indonesian delegation that the exemption to join the agreement is of high significance as those who desire to join the agreement will be free from any forceful element.

He said that not all manufactured and agricultural products proposed for inclusion in cept are of similar quality with all the asean countries. There are in fact some sensitive commodities in certain countries.

"We do not know how the situation is in the Philippines, for instance, how they are in our own country. Manufacturing of a certain agricultural product may involve a sizable amount of manpower, making it difficult to be competitive against a similar product that has entered the joint tariff agreement".

Accordingly, the non-commitment question provides an opportunity to the member-nations not only to ripely consider the type of commodity for joining the tariff agreement but also the development process of their respective industries.

Elias also announced that the ASEAN delegates had discussed matters within the frame of the regional body's economic cooperation for further submission to their respective ministers.

Generally speaking there had been no major obstacles which might pose constraints to the regional economic cooperation, Elias concluded.

Preferential Tariff Proposal Finalized

BK2001151292 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 20 Jan 92

[Text] The ASEAN Common Effective Preferential Tariff, CEPT, proposal which will lead to an ASEAN Free Trade Area, AFTA, in 15 years, will be implemented next year. But provisions will be made for any member country to opt out until it is ready to join the arrangement.

ASEAN senior economic officials have agreed to provide for the clause to enable member countries, which are not ready to accede to the arragement to opt out temporarily.

Datuk Shaharuddin Haji Harun, the secretary general of the Malaysian Ministry of International Trade and Industry, disclosed this in Singapore.

He said the clause would be give certain countries more time for their products to be included in the scheme because of their sentivity.

ASEAN economic officials concluded their three-day meeting today in preparation for the ASEAN summit. Datuk Shaharuddin said it would be good if all member countries would start on the CEPT next year. But this was not possible because of the different stages of economic development of member countries. He said the CEPT proposal which provides the legal framework for tariff reduction would include selected manufactured goods, and processed agricultural products but will exclude cattle and agricultural goods.

Preparations for Summit Finalized

BK2101131092 Jakarta ANTARA in English 0932 GMT 21 Jan 92

[Text] Singapore, Jan 21 (OANA-ANTARA)—ASEAN senior officials here Tuesday went into their final discussions in the Joint Consultative Meeting (JCM) to finalise preparations for next Tuesday's fourth ASEAN summit.

In Tuesday's meeting, the senior officials, senior economic officials, and the ASEAN directors-general were finalising details at this JCM ahead of the ministerial meetings on Thursday and Friday and the summit on 27-28 January.

The economic officials have finalised details of the four basic areas to be submitted to their economic ministers for presentation to the heads of government for consideration at the summit.

These pertain to the framework agreement on enhancing ASEAN economic cooperation, the Common Effective Preferential Tariffs (CEPT) arrangement leading to the creation of an ASEAN Free Trade Area (AFTA), inputs by the ministers for the ASEAN summit declaration and reports to the heads of government.

While the main thrust of deliberations was on economic cooperation, the senior officials also focused on matters related to political and security issues and external relations.

The conference's sources said that the meeting also discussed two crucial matters relating to the establishment of the East Asian Economic Caucus (EAEC) and AFTA.

The EAEC issue, they said, was previously discussed by the ASEAN senior officials before being brought to Tuesday's joint consultative meeting, while the AFTA issue had been discussed by the ASEAN senior economic officials.

The Indonesian chief delegate to the ASEAN senior officials meeting, Wiryono S., told newsmen here on Sunday that the EAEC issue, which had been approved by the ASEAN economic ministers in their meeting in Kuala Lumpur last October, would be brought to the ministerial meeting since there were several items that needed to be clarified.

The EAEC concept was first proposed by Malaysia. It was previously called the East Asian Economic Group (EAEG), but the world group had been changed into caucus, which was agreed by a meeting of the ASEAN economic ministers in Kuala Lumpur last October.

The Association of South East Asian Nations (ASEAN) groups Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

Sources disclosed that the issue of the ASEAN Free Trade Area (AFTA) might also be taken up to the miniterial meeting as Thailand had recommended that the idea should be implemented in five years, sooner than originally proposed.

Like the EAEC proposal, the establishment of AFTA had also been approved by a meeting of ASEAN economic ministers in Kuala Lumpur. But the approval stated AFTA would be implemented in 15 years and not five years and on the way to its realization, ASEAN should first implement the Common Effective Preferential Tariff (CEPT) proposed by Indonesia.

The economic senior officials meeting on Monday agreed to put the CEPT into force beginning from January next year, though no consensus had been reached on the mechanism of its implementation, particularly concerning the types of products to be included and the participation of all the ASEAN countries in the CEPT.

Head of the Indonesian delegation to the economic senior officials meeting, Director General for Foreign Trade Kamarulzaman al-Gamar of the Foreign Ministry on Monday said problems concerning the CEPT implementation would also be brought to the ministerial discussions.

The ASEAN summit senior officials meeting that ran most smoothly is that on the grouping's secretariat.

Head of the Indonesian delegation to the senior officials meeting, Director General for ASEAN affairs at the Foreign Ministry Agus Tarmidzi said the senior officials meeting agreed to endorse that ASEAN cooperation in the environment field be stepped up, that the role of women in development be enhanced and that the idea of ASEAN be popularized in schools.

It also agreed to propose that the ASEAN Secretariat be strengthened by giving greater power and authority to the secretary general.

According to the proposal, which would be brought to the ministerial meeting and to the summit, the position of secretary general would be held in rotation among the member countries.

Free Trade Plan Resolved

BK2201013192 Bangkok THE NATION in English 22 Jan 92 pp A1, A2

[By Oranut Anusaksathian and Kunchada Chaiphiphat]

[Text] Singapore—The meeting of ASEAN senior officials yesterday made significant headway on most of the outstanding issues in favour of the Thai proposal to implement an Asian Free Trade Area (AFTA) arrangement as progressively and substantially as possible.

Two landmark agreements were finalized yestrday for establishing a free trade area among the six ASEAN member countries, with only a few provisions still awaiting ministerial decision.

Both agreements will be considered by the economic ministers before forwarding them to the heads of state who are scheduled to attend the Asean Summit Meeting from Jan 27-28 in the Island republic.

The progress yesterday marked a significant step forward for Thailand, an architect of the AFTA although a few issues have yet to be settled at the ministerial level. On Monday, when the senior economic officials meeting was adjourned, nothing substantial was agreed upon.

Prime Minister Anan Panyarachun said in Rayong yesterday he was confident that his call for the establishment of AFTA will receive full support at next week's summit.

"I hope we can tell after the summit what types of industries can be immediately included" in the AFTA, Anan said. He added that three or four industries could be declared potential parts of the AFTA at the end of the conference.

Most of the elements Thai delegates originally found worrisome in the initial subsidiary agreement on the Common Effective Preferential Tariff (CEPT) were removed or modified to better reflect Thailand's call for early and effective implementation of the scheme.

The CEPT agreement is an Indonesian proposal to reduce tariffs on industrial goods and processed agriculture products to 0-5 per cent to achieve AFTA within a 15-year timeframe.

Witthaya Wechachiwa, Thai permanent secretary general of foreign affairs, told reporters after a joint senior officials meeting yesterday that ASEAN officials were able to produce a "good agreement on the CEPT" and the agreement would be signed by the leaders of the six ASEAN nations at the end of their meeting.

"Most of the brackets (referring to those not yet agreed by the senior economic officials) were removed, and the outstanding differences are not substantial," the official said.

According to the latest draft agreement made availabel to THE NATION, all of the member states shall participate in the CEPT scheme by offering tariff cuts on all manufactured goods and processed agricultural Products.

Countries not yet ready to liberalize trade on some sensitive products may opt out at the initial stage. At the same time, countries ready for early implementation of deep tariff reductions should also be encouraged to undertake the programme.

The meeting yesterday agreed that capital goods and agricultural products would be excluded from the scheme. Thai officials were happy that transport equipment and vehicles, excluding parts which were initially clasified as capital goods were no longer classified as such, paving the way for free trade in these products.

Moreover, identification of sensitive products to be excluded from the scheme shall be on a 8-9 digit tariff clarification system, which means on a product-by product basis. While the products included in the scheme should be broader, based on the 6-digit Hamonized system of Tariff Codes.

The list of these sensistive products must be reviewed in the eighth year of the implementation to see whether protection was still justified.

Thai officials viewed a definite review timeframe as a significant breakthrough, for Indonesia which was initially opposed to the idea expressed more understanding yesterday when senior economic officials called an extra session in the afternoon to narrow their own differences before resuming a joint senior official meeting with foreign ministry officials.

Currently, Thailand maintains the highest average tariff rate among the six ASEAN countries. Its average tariff protection is 34 per cent compared with the Philippines' 32, Indonesia's 20 per cent and Malaysia's 9 per cent. Thai officials said local industries will have to make radical adjustments if the free trade arrangement is to be implemented.

In addition, the draft agreement also spelt out that the products that are deemed as originating from ASEAN should have at least 40 per cent of its contents originate from any member country.

But Thai officials said sectors or groups of products that should undergo deep tariffs cuts earlier than Jan 1, 1993, the date from which the CEPT agreement should take effect, have not yet been agreed upon.

Thailand proposed eight groups of products namely, pulp, fertilizer, cement, leather products, gems and jewelleries, wood products, textiles and garments and electronics. Singapore added pharmaceuticals.

Indonesia refused to discuss this issue at senior official level, arguing that they did not have the mandate. The economic ministers at the meeting in Bali in 1990 only endorsed the first three products for early tariff reduction.

Despite the disagreement on this point, Thailand was still satisfied that the draft agreement encouraged member countries to implement the free trade arrangement at "an accelerated pace", referring to a shorter timeframe than 15 years.

Moreover, Thailand also wanted an exclusive committee set up to supervise and monitor the implementation of the tariff reduction scheme as the assignment was technical and required time and knowledge. But this issue remained inconclusive.

Thai commerce Minister Amaret Sila-on will arrive this afternoon and will hold informal consultations with his ASEAN counterparts in the evening. The minister is expected to call on other ASEAN countries to work forward to an early implementation of the scheme and to agree on the sectors.

The accord is to take effect upon signing, according to the draft.

Draft for ASEAN Economic Cooperation Reported

OW2101234192 Tokyo KYODO in English 2313 GMT 21 Jan 92

[By Masanori Kikuta]

[Text] Singapore, Jan. 22 KYODO—ASEAN leaders are expected to reach an agreement at their summit next week to begin liberalizing regional trade from 1993 starting with seven industry sectors, according to a draft summit declaration.

The Association of Southeast Asian Nations "shall establish an ASEAN free trade area...within a time frame of 15 years beginning January 1, 1993, with the ultimate effective tariff ranging from 0 percent to 5 percent," said the draft, a copy of which was made available to KYODO NEWS SERVICE.

Tariff reductions will be based on an Indonesian-proposed "common effective preferential tariff (CEPT) scheme," which calls for sector-by-sector cuts. This differs from the product-by-product formula practiced so far but found ineffective.

"ASEAN has identified the following seven sectors to be included in the CEPT scheme for immediate tariff reduction: cement, fertilizer, pulp, textile, wooden furniture, leather goods, and gems and jewelry."

But some of the sectors may be changed when ASEAN economic ministers meet Thursday ahead of the January 27-28 summit, ASEAN sources said.

ASEAN heads of state or government will also agree to accelerate economic cooperation by adopting "appropriate new economic measures" contained in a separate "framework agreement on enhancing ASEAN economic cooperation," the 16-page draft said.

The declaration also places emphasis on political and security cooperation as well as economic collaboration.

"ASEAN shall move toward a higher plane of political and economic cooperation to secure regional peace and security," the draft said.

"ASEAN shall seek avenues to engage member states in new areas of cooperation in security matters," it said, adding that it will forge closer ties with Indochinese countries following the signing of a peace accord on Cambodia in October.

ASEAN will seek the United Nations' backing of its cooperation treaty as part of its efforts to ensure regional peace and security, the draft said.

ASEAN "welcomes accession by all countries" in the region to the Treaty of Amity and Cooperation in Southeast Asia, it said.

"As a further step toward international support for the regional framework of peace and cooperation, ASEAN shall encourage accession by all interested countries, particularly the Indochinese countries and permanent members of the U.N. Security Council," the draft said.

Senior ASEAN officials preparing for the summit agreed Tuesday to recommend that the top leaders of Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand allow Vietnam and Laos to accede to the treaty.

"ASEAN will also seek the cognizance of the United Nations for the treaty through an appropriate resolution," the draft added.

The treaty, signed at the first ASEAN summit on the Indonesian resort island of Bali in 1976, calls for greater cooperation in political, economic, social, technical, and other fields.

Official: No New Elements in EAEC Framework

BK2201051992 Kuala Lumpur BERNAMA in English 0418 GMT 22 Jan 92

[Text] Singapore, Jan 22 (OANA-BERNAMA)—Indonesian and Malaysian senior officials are making last-minute efforts to resolve their differences on the East Asian Economic Caucus [EAEC] before the ASEAN summit begins.

Malaysian Foreign Ministry Secretary-General Ahmad Kamil Jaafar said Tuesday both formal and informal discussions were being held.

"We hope to narrow the gap in perception on the EAEC," he told Malaysian journalists at a briefing.

He hope the issue would be resolved before the ASEAN economic and foreign ministers began their meeting on Thursday.

Ahmad Kamil said, however, the questions of introducing new elements into the framework of the EAEC would not be brought up.

"We will talk about how to proceed (with the proposal) and the kind of approaches to pursue the proposal which was agreed at the AMM (ASEAN Ministerial Meeting) in Kuala Lumpur last October," he added.

On the stand of other ASEAN countries on the EAEC, Ahmad Kamil said: "No problems with other countries."

It is understood that the other members, especially Singapore, had played a constructive role in trying to close the gap on the issue to reach a concensus.

Ahmad Kamil declined to give details on the existing differences between Malaysia and Indonesia.

"I wish to stress that there is no difference in principle," he said, adding that Malaysia also considered the importance of its trading partners.

"But we must be free to do the things that contribute to the establishment of an open trading system."

Ahmad Kamil said Malaysia would stand firm on the EAEC issue as "the set of principles have already been agreed upon."

On the Common Affective Preferential Tariffs (CEPT), he said officials had reached an agreement on the draft.

International Trade and Industry Ministry Deputy Secretary-General II, Haron Siraj, said officials had already cleared problems that cropped up.

He said some of the differences were due to a lack of clarity and confusion over certain items that were excluded from the CEPT.

Stressing on the importance of its implementation, he said they had made broad definitions on capital goods, a contentious issue at the meeting, adding that the definitions were meant to be a guideline.

There had been reported differences between Indonesia and Thailand over the pace and mode of implementation of the CEPT, the vehicle for the Asean Free Trade Area (AFTA).

Under AFTA, capital goods and agricultural products are excluded from the plan to lower tariffs. Only trade in manufactured goods is to be liberalised.

Indonesia's Alatas on Broader Security Cooperation

BK2001104992 Jakarta ANTARA in English 0944 GMT 20 Jan 92

[Text] Singapore, Jan 20 (OANA/ANTARA)—Indonesian Foreign Affairs Minister Ali Alatas has said that political and security issues with regard to the internal and external aspects in an effort to increase security cooperation in broader sense could be an interesting topic in the fourth ASEAN summit in Singapore next week.

Even though the two aspects do not constitute the most important issues, they could be the most interesting topics during the summit which is scheduled on January 27-28, the minister said.

Alatas is expected in Singapore to attend the foreign ministerial meeting to prepare the summit for the ASEAN leaders/head of states.

The external aspect, the minister said further, will include, among other things, issues on how to increase efforts to materialize the idea of establishing the zone of peace, freedom and neutrality [ZOFPAN] as a blueprint for new security order in Asia and the Pacific region based on the ASEAN principles.

"In this aspect, the summit may discuss efforts to activiate dialogues between ASEAN and other Asia-Pacific countries on security issues in broader sense, particularly in facing new developments of the world," Alatas added.

In this regard, the post ministerial conference (ASEAN foreign ministers meeting with their dialogue partners) has indeed moved towards to some kind of an informal forum for political and security issues, he said.

ASEAN's dialogue partners consists of the United States, Japan, Australia, New Zealand, South Korea, European Community, Canada and the United Nations Development Program (UNDP).

On the internal factor, the Indonesian foreign minister said that one of the topics that is likely to be discussed is efforts to increase political and security cooperation among the six ASEAN members which comprises Indonesia, Malaysia, Singapore, Brunei Darussalam, the Philippines and Thailand.

At this point, ASEAN basic approaches on a broader security than merely military issues could be discussed but will remain to be based on the basic interest of ASEAN, he said.

"Since the first ASEAN summit in Bali in 1976, which is strengthened with following summits, the specific security cooperation of ASEAN has always been carried out in the form of a joint military exercise and exchange of visits among ASEAN military officials," Alatas said adding that all of them are carried out beyond the ASEAN context because they constitute bilateral or trilateral activities of the ASEAN states.

He said that there is now an idea to include all these issues in the context of the ASEAN forum, and they are no longer carried out bilaterally, trilaterally or beyond the ASEAN context.

But this is still an idea which could come up in the summit, the minister said adding that "Indonesia is not trying to presume what the summit talks would be and what has been done is good and satisfying.

In fact, the minister said, a stepped up socioeconomic cooperation could mean that "We have cooperated for common security."

When asked on whether Indonesia would submit a proposal on ASEAN security, the minister said Indonesia has no definite proposals. What it has is a certain stance that it will explain.

Meanwhile, a source at the ASEAN senior officials meeting which ended Sunday, said that security matters have frequently been discussed in the ASEAN ministerial meetings such as the 23rd and 24th AMM [ASEAN Ministerial Meeting] in Jakarta and Kuala Lumpur.

The source said that there is a need to explain which institution should discuss security matters in ASEAN, but refused to explain whether a formal institution would be formed, saying that it still has to be discussed.

On the security issues, a Philippine delegate to the SOM [ASEAN senior officials meeting] Romualdo Ong said the ZOFPAN concept needed to be developed further. The Philippines wants that the neutrality aspect of ZOFPAN be reviewed because the world [passage indistinct].

Minister Says Vietnam 'Ready' To Join ASEAN

BK2001083892 Hong Kong AFP in English 0746 GMT 20 Jan 92

[Text] Singapore, Jan 20 (AFP)—Vietnam is ready to join the Association of Southeast Asian Nations (ASEAN) as a full member at once, its Deputy Foreign Minister Le Mai said in an interview published here Monday.

Le Mai told the BUSINESS TIMES newspaper that Vietnam was ready to join ASEAN if its participation was approved by existing members—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Vietnam would first sign 1976 ASEAN Treaty of Amity and Cooperation and thereby accept all principles on which the regional grouping rests, he said.

"Then the next step would be to join ASEAN as a single group. But there should be agreement on this from the ASEAN countries," he said.

Le Mai said Vietnam's accession to the 1976 Treaty would "mark a new and important period for relations between countries in the region.

"For 45 years, Southeast Asia has been divided into two groups of countries opposing each other, but now we can be one group, with the same principles of co-existence and cooperation on the basis of equality and mutual benefit," he said.

Vietnam's foreign policy now "aims to make friends with all nations and to create the peaceful atmosphere for us to concentrate all our efforts on economic development", Le Mai said.

In a separate interview, Le Van Triet, the Minister for Trade and Tourism, said that small countries needed to stand together to face the challenge of emerging trade blocs in the West.

The BUSINESS TIMES also spoke to Cambodian Prime Minister Hun Sen who said the question of Phnom Penh's participation in ASEAN might be considered by the Cambodian National Assembly after elections in 1993.

"I feel that Cambodia should join ASEAN because this is the best choice to speed up the economic development of Cambodia. It will also be a long-term guarantee for peace in Cambodia," Hun Sen said.

ASEAN senior officials meeting here to prepare for next week's heads of government summit said last week they would recommend to their leaders that Vietnam and Laos be invited to accede to the 1976 Treaty.

Japan

Watanabe Leaves for Washington CIS Meeting

OW2001133492 Tokyo KYODO in English 1311 GMT 20 JAN 92

[Text] Tokyo, Jan. 20 KYODO—Japanese Foreign Minister Michio Watanabe left for the United States Monday to attend a meeting on economic aid to the Commonwealth of Independent States (CIS).

The meeting, to be held in Washington from January 22, will focus on extending food, medical and other aid to help the former Soviet republics endure the harsh winter.

Japan, the U.S., the European Community and other countries will participate in the parley.

Foreign Ministry officials said Watanabe will promise 6.5 billion yen in food, medical and other Japanese emergency aid to the CIS.

During his five-day visit, Watanabe will call on President George Bush and confer with Secretary of State James Baker and Defense Secretary Dick Cheney.

Watanabe and U.S. leaders are also expected to confirm the Japan- U.S. action program issued during President Bush's trip to Japan earlier this month. The program envisages the future global cooperation between the two countries.

Watanabe will also meet German Foreign Minister Hans-Dietrich Genscher and British Foreign Secretary Douglas Hurd before returning home on January 24.

Meets U.S. Secretary of State

OW2201050592 Tokyo KYODO in English 0423 GMT 22 Jan 92

[Text] Washington, Jan. 21 KYODO—Japan and the United States agreed Tuesday to cooperate closely to bring to successful conclusion an international meeting on aid to the former Soviet republics and the Middle East peace conference, a Japanese official said.

In a 90-minute meeting at the U.S. State Department, Japanese Foreign Minister Michio Watanabe and U.S. Secretary of State James Baker also agreed to cooperate in implementing international inspections of nuclear facilities in North Korea, according to the official who briefed Japanese reporters on the talks.

Watanabe is here to attend the international conference on assistance to the Commonwealth of Independent States (CIS) to be held on Wednesday and Thursday. The CIS comprises 11 former Soviet republics, excluding the three Baltic republics and Georgia.

According to the State Department, sponsor of the gathering, 47 countries and seven international organizations will attend the meeting to discuss ways to help the CIS members tide over economic difficulties. The former Soviet republics and China, however, were not invited to the talks.

In the talks with Watanabe, Baker stressed the importance of giving a helping hand to the member republics of the CIS and warmly accepting them into the international community. Baker was quoted as telling Watanabe that U.S.-Japan cooperation in aiding the CIS will be a good example of "global partnership" between the two countries.

In response, Watanabe highly rated Baker's initiative in holding the international aid conference and pledged close cooperation with the U.S. to make the meeting a success. Referring to the U.S.-brokered Middle East peace conference, Watanabe expressed Japan's readiness to host a working-level meeting if such a panel is set up to facilitate the peace talks. Watanabe was quoted as saying that Japan will play a leading role in dealing with environmental problems in the Middle East.

On alleged nuclear arms development programs in North Korea, Watanabe pledged that Japan will continue to press Pyongyang to take measures to allay international suspicion over its nuclear facilities. U.S. Undersecretary of State for Political Affairs Arnold Kanter, who attended the Watanabe-Baker meeting, promised to immediately convey to Japan the contents of his scheduled meeting Wednesday in New York with Kim Yongsun, a secretary of the ruling (North) Korean Workers Party.

Kanter and Kim are expected to discuss the North Korean nuclear program and other concerns. The meeting will be at the highest-level ever between the two countries.

On strained U.S.-China relations, Watanabe called on Baker to normalize ties with Beijing, pointing to the importance of integrating China into the international community and supporting its open-door and reform policies. Baker, however, said there are many pending issues, including arms proliferation and human rights abuses, between the U.S. and China and made no commitment to normalized ties with China.

Later in the day, Watanabe also met Defense Secretary Dick Cheney and agreed to convene at an early date a meeting of foreign and defense ministers from Japan and the U.S. Asked about unified control over nuclear weapons in the former Soviet Union, Cheney expressed strong concern over the possible flow of nuclear experts to other countries, a Japanese official said.

The Japanese foreign minister also met with Vice President Dan Quayle over breakfast at the vice president's official residence. In a 50-minute meeting, Quayle was quoted as expressing his interest in remarks by Prime Minister Kiichi Miyazawa and Yoshio Sakurauchi, speaker of the House of Representatives who once served as foreign minister. Details of Quayle's comments in the meeting were not available. Sakurauchi reportedly said over the weekend that American workers are lazy and about 30 percent of them are illiterate.

Watanabe was quoted as telling Quayle that he does not share such a view and that he understands both the productivity of the U.S. labor force and its literacy rate are high. Watanabe, however, did not comment on Miyazawa's remark in a TV interview Monday that Japan's import figures for U.S. automobile and auto parts were a "target rather than a firm promise."

During President George Bush's visit to Japan earlier this month, Japanese auto manufacturers agreed to set "voluntary" targets to boost purchases of U.S. auto parts to 19 billion dollars worth in 1994, up from about 9 billion dollars in 1990. They also agreed to import more U.S. cars.

Talks With Germany's Genscher

OW2201041392 Tokyo KYODO in English 0351 GMT 22 Jan 92

[Text] Washington, Jan. 21 KYODO—Foreign Minister Michio Watanabe of Japan and his counterpart Hans-Dietrich Genscher of Germany remained apart Tuesday over how to back up former Soviet republics, Japanese officials said.

Watanabe told Genscher that Japan cannot provide full-scale financial support for the Commonwealth of Independent States (CIS), noting Tokyo has a decades-long territorial dispute with Moscow over the four islands seized by Soviet troops at the end of World War II. The officials quoted Watanabe as saying Japan's position is different from that of Germany, which achieved reunification after being a divided country.

"We want you to understand that under such a situation, Japan will be unable to give full financial support to the CIS," Watanabe told Genscher. However, he reiterated Japan's pledge to extend humanitarian and technical assistance to the former Soviet Union.

Genscher suggested the need for Japan to fully support the CIS, describing the turbulent changes of the former Soviet Union as the biggest since the 1917 Russian revolution.

Watanabe and Genscher agreed to hold regular foreign ministerial talks during the planned visit of the German foreign minister to Tokyo from February 8-11, Japanese officials said. The two foreign ministers are in Washington to attend a two-day conference on aid for the CIS opening Wednesday.

Comments on Domestic Affairs

OW2201114992 Tokyo KYODO in English 1118 GMT 22 Jan 92

[Text] Washington, Jan. 21 KYODO—Foreign Minister Michio Watanabe on Wednesday said that he is against Prime Minister Kiichi Miyazawa's plan to submit a political fund control bill independent from other political reform bills in the next regular Diet session beginning Friday.

Miyazawa disclosed the plan last week in Seoul in a bid to enact the legislation at the earliest opportunity.

Last June, the government proposed a package of three political reform bills intended to revamp Japan's cash-ridden electoral campaign.

But the package was scrapped in late September due to strong opposition from within the ruling Liberal Democratic Party and from the opposition camp over the introduction of single-seat constituency for the House of Representatives.

Watanabe told Japanese reporters at a hotel in Washington that it is reasonable to present the package of three bills as a set because the party took a decision that political reform should be incorporated with system revision.

The abortive bill would have redrawn Japan's electoral district map by introducing a single-seat constituency system for the upper house and a nationwide proportional representation system, which combined would replace the current multiple-seat constituency system.

Another bill recommended that the government provide subsidies from the national coffers to political parties to finance a part of their election campaign costs.

The third bill called for tighter controls on political funds.

Miyazawa's remarks on fighting against money politics comes amid a cash-for-favors scandal involving Fumio Abe, a former director general of the Hokkaido and Okinawa Development Agency and a former secretary general of the Miyazawa faction within the LDP.

Abe was arrested last week on suspicion of taking an 80 million yen bribe from Kyowa Co., a bankrupt steel frame maker.

About the possibility of dual elections this summer following the Kyowa cash-for-favors scandal, Watanabe said the dual election is unnecessary. But he did not elaborate.

As for Miyazawa's remark in a TV program over a figure on Japanese imports of U.S.-made automobiles and auto parts, Watanabe said the Tokyo Declaration, issued at the end of the Japan-U.S. summit in Tokyo earlier this month, did not write it as the pledge of the Japanese Government. He added that Japan will be able to accomplish the target.

For a first meeting of Japan-U.S. ministerial consultations on security, Watanabe said he would like to hold the meeting before a planned visit of Prime Minister Miyazawa to the U.S. in May.

In a meeting with Defense Secretary Dick Cheney, Watanabe agreed to convene at an early date a meeting of foreign and defense ministers from Japan and the United States.

Watanabe is visiting Washington to attend the aid conference for the Commonwealth of Independent States.

Miyazawa Lauds Diplomatic Gains, Vows Reform

OW2201021392 Tokyo KYODO in English 0155 GMT 22 Jan 92

[Text] Tokyo, Jan. 22 KYODO—Prime Minister Kiichi Miyazawa on Wednesday lauded achievements through a string of diplomatic events earlier this year, while domestically vowing a "firm resolve" to promote political reforms in the wake of a cash-for-favors scandal that led to the arrest of one of his close allies.

Miyazawa, speaking at a regular convention here of his governing Liberal Democratic Party [LDP], said President George Bush's visit has cemented friendly and cooperative relations between Japan and the United States. Miyazawa, who is prime minister by virtue of his position as LDP president, said he has won Bush's understanding for Japan's best efforts to settle an automobile trade dispute, which highlighted talks between the two leaders during Bush's visit to Japan from January 7 to 10. The Japanese people and automobile industry supported the government's efforts to diffuse the problem, he said.

The prime minister referred to the January 16-18 visit to South Korea and said that he "frankly apologized" to Korean women who were forced to provide sex services to Japanese soldiers at frontline camps during World War II. However, he again stopped short of touching on whether to meet a South Korean demand for compensation to the Koreans who are called "comfort women."

Miyazawa also said Japan will promote assistance to Cambodia and continue its efforts to deepen friendly ties with Asian countries.

Miyazawa said he regrets the arrest of former State Minister Fumio Abe last week on suspicion of bribery and that he is "firmly resolved to promote political reform," which he said would be the only way for the ruling conservative party to restore public trust.

"All the members of the Diet need to straighten themselves out and impose strict discipline," he said.

On January 13, prosecutors arrested Abe, a former state minister and director general of the Hokkaido Development Agency, for allegedly taking 80 million yen from Kyowa Co., a now defunct steel-frame maker. Until December, Abe was secretary general of the LDP's second-largest faction headed by Miyazawa.

But he did not ask Abe to give up his seat in the House of Representatives.

Miyazawa reaffirmed the need to tighten controls on political funds, revise the election system and promote reforms of the Diet. But he did not elaborate on plans or actions to accomplish this.

Following the opening speech by Miyazawa, LDP Secretary General Tamisuke Watanuki said the LDP is determined to gain Diet approval for a U.N. peace cooperation bill which will allow the government to send Self-Defense Forces (SDF) personnel overseas to join U.N. peacekeeping operations.

Watanuki said the LDP will ask opposition parties to discard their "small differences" with it to forge a "bigger" accord to promote Japan's contribution to international society.

Keidanren's Hiraiwa on Trade Surplus, 'Targets'

OW2201085992 Tokyo KYODO in English 0839 GMT 22 Jan 92

[Text] Takamatsu, Jan. 22 KYODO—An influential business leader, worried by Japan's bloated merchandise trade surplus last year, said Wednesday the business community will strive to correct the imbalance.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), speaking at a news conference, said the burst of the "bubble economy" in Japan was responsible mainly for the expanded trade imbalance.

"I'm gravely concerned. I think decreased imports caused by the collapse of the bubble economy were mainly responsible for it (trade surplus). I'm particularly worried by growing imbalance with the United States and the European Community," he said.

Japan's global trade surplus in 1991 surged 50 percent over the preceding year to its third highest level of 78.2 billion dollars, according to data released by the Finance Ministry on Tuesday.

Hiraiwa predicted that the Japanese economy, now in a stage of adjustment, will begin to pick up in the latter half of this year if corporations successfully adjust their inventories.

He said an inflation-adjusted 3 percent economic growth rate will be attained this year.

Shoichiro Toyoda, president of Japan's top automaker Toyota Motor Corp. and vice president of Keidanren, who was present at the news conference, supported a remark by Prime Minister Kiichi Miyazawa, describing Japan's plans to increase automobile and auto parts imports from the United States as targets, not as an agreement.

Toyoda said Miyazawa's statement is correct, adding that it was understood correctly by U.S. Trade Representative Carla Hills.

Official Unhappy With Yen's Recent Downturn

OW1701110492 Tokyo KYODO in English 1029 GMT 17 Jan 92

[Text] Tokyo, Jan. 17 KYODO—A top official of the Finance Ministry said Friday that he is not thrilled with the recent downturn of the yen against the dollar.

Hiroshi Yasuda, vice finance minister, told a press conference that the currency market has recently been diverging from the "desirable trend" started last summer for a stronger yen, which he says reflects the economic fundamentals of major industrial countries.

An upward trend of the yen is good for redressing Japan's external imbalances, he said.

"I'm not thrilled with the recent trend," he said. "We will make concerted intervention in the market if it makes an unstable movement diverting from the fundamentals," he said.

"But we have no immediate plan to take such an action," he added.

Bank of Japan Official Views Weakening Dollar

OW1801033592 Tokyo KYODO in English 0300 GMT 18 Jan 92

[Text] Tokyo, Jan. 18 KYODO—A Bank of Japan source on Saturday called the yen's sharp advance against the U.S. dollar desirable to reduce the huge U.S. trade deficit. The source made the remarks shortly after the dollar suffered a 4.05 yen plunge in New York trading late Friday after a surprise action by the Federal Reserve Bank of New York to sell dollars for yen.

The source indicated that the Fed intervention aims to correct the whopping trade imbalance between Japan and the United States by boosting U.S. exports.

On Friday, a high-ranking Japanese finance official defended the strong yen against the dollar, saying the Group of Seven industrial nations are ready to step into currency markets in a concerted action to make sure foreign exchange rates reflect economic fundamentals.

Another Possible Cut in Discount Rate Denied

OW1801053192 Tokyo KYODO in English 0437 GMT 18 Jan 92

[Text] Tokyo, Jan. 18 KYODO—A Bank of Japan source on Saturday welcomed the yen's overnight surge against the dollar in New York. He said it was not "surprising" as a stronger yen was agreed upon by Prime Minister Kiichi Miyazawa and U.S. President George Bush when they met in Tokyo last week.

The source speculated both the Japanese and U.S. authorities could not tolerate the dollar's rally this week. On Friday in New York, the Federal Reserve Bank of New York sold the dollar, sending the currency down more than 4 yen from the previous day.

The source supported a weaker dollar in order to boost U.S. exports. Meanwhile, the source denied the possibility of another Japanese official discount rate cut as there is a limit to what lower interest rates can do to spark domestic demand. The issue ought to be approached from currency exchange aspects, according to the source.

Japanese-U.S. Joint Firm To Design Building

OW2201115492 Tokyo KYODO in English 1059 GMT 22 Jan 92

[Text] Tokyo, Jan. 22 KYODO—Nippon Telegraph and Telephone Corp. (NTT) announced Wednesday a blueprint for construction of its new building, once a source of dispute.

The auctioning to choose contractors will take place between June and August, which will equally be open to firms both domestic and foreign, based on a bilateral agreement by Japan and the United States reached in 1987.

The project was supposed to have begun in the autumn of 1989. NTT was forced to postpone the construction, as the project became a victim of then intensifying Japan-U.S. construction talks, where the U.S. demanded Japan let foreigners enter its construction market.

A Japan-U.S. joint venture firm, Cesar Pelli and Associates Inc., received orders for the design.

The auctioning will take place in four divisions, such as electric facilities and elevator constructions.

Officials hoped the new NTT building in Shinjuku in uptown Tokyo will be completed in the summer of 1995. The building will be 30-story high, with five floors underground.

Northwest Air To Continue Osaka-Sydney Route

OW2201133592 Tokyo KYODO in English 1306 GMT 22 Jan 92

[Text] Tokyo, Jan. 22 KYODO—The Transport Ministry said Wednesday it will allow Northwest Orient Airlines (NWA) to continue flying the Osaka-Sydney route for another three months despite the U.S. carrier's breaching of flight conditions.

NWA is allowed "beyond traffic rights" under international law to fly between the two cities for flights originating in New York. The right allows a carrier to additionally fly between its first destination and one in a third country.

The ministry allowed NWA to fly the route last October on the condition passengers and cargo flown solely between Osaka and Sydney were less than 50 percent of the load.

But according to data compiled by the end of December, the restricted passengers were found to take up more than 95 percent of seats.

The ministry, consulting with its U.S. counterpart, allowed NWA to continue flying the route as the United States pledged to warn the airline.

A ministry official said permission will be given this time on the same conditions, and if it is significantly violated, a further extension will not be granted.

Tokyo has told the U.S. Government Japan has been unfairly treated with respect to the right. The ministry, however, decided to give the right last fall to NWA under certain conditions in order to avoid conflict, officials said.

HDTV Chip Decoders Developed With U.S. Firms

OW2101074692 Tokyo KYODO in English 0428 GMT 21 Jan 92

[Text] Tokyo, Jan. 21 KYODO—Three major Japanese electronics makers and U.S. chip maker Texas Instruments Inc.'s Japan unit said Tuesday they have developed a chip for use in decoding the Japanese high-definition television [HDTV] signal, known as the muse signal.

The new chip, available in 13 types, dramatically reduces the number of devices needed to construct a muse decoder and significantly reduces decoder production costs, the four companies said in a joint press release.

They said that with the new chip, only 30 devices are required to make a muse decoder, down from the approximately 150 devices necessary with presently available chips, facilitating the production of cheaper and more compact muse decoders.

The companies—Fujitsu Ltd., Hitachi Ltd., Sony Corp., and Texas Instruments Japan Ltd.—plan to begin sample shipments this month.

The four companies have been working together to develop semiconductors for use in Japanese-format HDTV signal decoders since forming a consortium to develop such semiconductors last August.

The consortium has been competing in the HDTV semiconductor market alongside several other consortia, including a tie-up between Toshiba Corp. and Motorola Inc. and another involving NEC [Nippon Electric Corporation], Matsushita Electric Industrial Co. and several other firms.

The HDTV signal, which offers a finer picture than conventional signals, must be decoded before viewing.

Jetro Goes to U.S. for Space Solar Power Study

OW2101090092 Tokyo KYODO in English 0551 GMT 21 Jan 92

[Text] Tokyo, Jan. 21 KYODO—The Japan External Trade Organization (Jetro) said Tuesday it has dispatched a mission of government and industry experts to the United States to study the feasibility of an international project for solar power generation in outer space.

Officials of the semigovernmental trade promotion body said mission members will meet U.S. experts on solar power generation and satellite technologies to discuss cost, technical, and organizational problems in such a project.

The mission comprises a dozen officials representing the government's Electrotechnical Laboratory and National Space Development Agency of Japan, Toshiba Corp., and Mitsubishi Heavy Industries Ltd.

Under plans worked out by the U.S. National Aeronautics and Space Administration (NASA), giant solar cell panels to be launched into a stationary orbit 36,000 kilometers above the equator would convert generated power into microwaves for transmission back to earth.

Solar calls on earth would require a large space to generate a workable amount of energy and would not work at night or in bad weather but those in outer space would not have that problem, Jetro officials said.

Possible problems in the project include reducing the cost of launching solar cells, preventing environmental disruption that could be caused by microwave transmissions, and solving technical difficulties in receiving the transmissions, th officials said.

While in the U.S., the mission will visit facilities of NASA, the defense contractor Raytheon Co., and Texas A and M University in connection with the proposed project.

Jetro said the mission has been dispatched as part of its program to promote international development of industrial technologies.

Osaka Mission Plans To Visit Russian Far East

OW2201084392 Tokyo KYODO in English 0811 GMT 22 Jan 92

[Text] Osaka, Jan. 22 KYODO—The Osaka Chamber of Commerce and Industry said Wednesday it will send an economic survey mission to Russia's Far East in April to study the feasibility of the Japan Sea Economic Sphere scheme.

The mission, to be made up of 10 to 15 representatives from trading houses and manufacturing firms, will be led by Takuya Yoshida, executive director of C. Itoh and Co.

The chamber said the delegation will be the first to be sent to Russia since the establishment of a research panel to study the proposed economic sphere last year.

The project calls for the establishment of a major industrial and commercial center near the mouth of the Tumen River where Russia, China, and North Korea share borders.

The delegation plans to exchange views with local business leaders and tour industrial and harbor facilities during its tour from April 18 through 27.

The mission will visit the [word indistinct] port cities of Vladivostok and Nakhodka, Khabarovsk, Yuzhno Sakhalinsk on Sakhalin Island, and areas along the Tumen River.

The chamber said it plans to send similar missions to the northeastern region of China and North Korea next year.

Trade With China Tops $20 Billion in 1991

OW2201110192 Tokyo KYODO in English 1019 GMT 22 Jan 92

[Text] Tokyo, Jan. 22 KYODO—Japan's trade with China, which slumped in the wake of the 1989 crackdown on pro-democracy demonstrators in Beijing, has recovered swiftly, topping 20 billion dollars for the first time in 1991, according to Finance Ministry statistics.

Two-way trade between Japan and China totaled 22,814 million dollars in 1991, with Japan's exports accounting for 8,593 million dollars, up 40.2 percent over the year before.

Japan's imports amounted to 14,220 million dollars, up 18.0 percent, the preliminary data released by the ministry Tuesday showed.

China moved up to become Japan's fifth-largest trading partner while it was the second-largest customer for Japan next only to the United States, the figures showed.

Japan's exports of machinery surged 44.3 percent to account for nearly 50 percent of its total exports to China. Exports of automobiles and office equipment increased more than two-fold, the data showed.

Trade between Japan and China plunged after Tokyo imposed economic sanctions in protest against the June 1989 crackdown on pro-democracy demonstrators at the Tiananmen Square.

The trade began to pick up steadily after Japan lifted the sanctions and resumed economic assistance to Beijing about a year later.

Officials of the semigovernment Japan External Trade Organization (Jetro) predicted Sino-Japanese trade would surpass 25 billion dollars this year.

Skaters' Trip to DPRK Tied to ROK Invitation

OW1801062192 Tokyo KYODO in English 0515 GMT 18 Jan 92

[Text] Tokyo, Jan. 18 KYODO—Japan has notified North Korea it will not send its team to Pyongyang for an international figure skating competition next month unless South Korea is invited, sports sources said Saturday.

South Korea, in a recent message to the Asian Skating Union (ASU) Secretariat in Tokyo, said it had not received a letter of invitation from North Korea to compete in the Pyongyang meet, the sources said.

ASU sent a telegram to North Korea, saying the ASU Charter stipulates that a host nation must issue invitations to all ASU member nations in staging international skating events. The telegram, sent under the name of ASU President Katsuichiro Hisanaga, said North Korea is violating the ASU Charter if it had not invited South Korea.

Twelve countries are entered for the five-day Pyongyang competition opening February 12.

Tokyo Willing To Discuss 'Comfort Women' Issue

OW2201034492 Tokyo KYODO in English 0311 GMT 22 Jan 92

[Text] Tokyo, Jan. 22 KYODO—Japan is willing to discuss South Korea's demands that Tokyo compensate Korean women who were forced to serve as prostitutes for the Imperial Army in World War II, a government spokesman said Wednesday. Deputy Chief Cabinet Secretary Noboru Ishihara said that Japan is prepared to discuss South Korea's assertion that compensation is due because there was no discussion of the women when a treaty covering war reparations was drawn up in 1965.

"It is an issue of interpretation of the treaty. Japan holds that reparations were resolved then," Ishihara told a regularly scheduled news conference.

"It appears that there is debate on this point in South Korea, so we will discuss this via diplomatic channels, but there is no change in our position," Ishihara said.

He said that Japan also plans to pay close attention to the progress of a suit filed against the government last month by three former Korean "comfort women" seeking government recognition of the problem and compensation. Until earlier this month, Japan officially maintained that the brothels were strictly private and that war reparations were settled in the 1965 treaty.

South Korea reportedly decided Tuesday to ask Japan for compensation for an estimated 100,000 to 200,000 women forced to provide sex to Japanese soldiers.

Tokyo, Hanoi To Continue Aid Resumption Talks

OW1801145592 Tokyo NHK General Television Network in Japanese 1000 GMT 18 Jan 92

[Text] A Japanese mission on a visit to Vietnam has agreed with the Vietnamese Government to continue bilateral discussions on deferred repayments of Vietnamese debts to Japan, which is a precondition for a resumption of Japan's development aid to the nation which has been suspended for 13 years.

The government mission was jointly organized by the foreign, finance, and other ministries concerned in the wake of a government decision to resume development aid to Vietnam, and it has just completed a seven-day visit beginnig 12 January.

The Japanese Government previously extended some 30 billion yen in aid to Vietnam, but repayments of some 20 billion yen in aid to former South Vietnam is far behind the schedule. During the mission's visit, bilateral discussions were focused on the repayment issue.

However, the financial situation of the Vietnamese Government has deteriorated in the past several years partly because of the suspension of aid from the Sovist Union. It is now difficult to say how repayments would be made. Under such circumstances, the two nations have agreed to continue discussions on the issue.

Mr. Takao Kawakami, director of the Foreign Ministry's Economic Cooperation Bureau who led the mission, said that, in general, there was great progress during the bilateral talks, and the two nations have taken the important first step toward a settlement of the pending issues.

While it has not yet been decided when aid programs to Vietnam will be resumed, a government source said that it may be technically possible to resume aid next year, if a repayment plan can be worked out.

It is expected that the two nations will accelerate discussions on details of future aid programs in line with the repayment negotiations.

Firm To Exploit Oil, Gas Off SRV Coast

OW1901040592 Tokyo KYODO in English 0308 GMT 19 Jan 92

[Text] Tokyo, Jan. 19 KYODO—An Idemitsu Kosan Co. subsidiary will soon reach a basic agreement with the Vietnamese Government to acquire rights to exploit an oil and natural gas field off Vietnam, the major daily YOMIURI SHIMBUN reported Sunday.

The newspaper quoted sources as saying Saturday that Idemitsu Oil Development Co., a wholly owned subsidiary of the major Japanese oil company, will reach the agreement with Vietnam in early February. Idemitsu will sign a formal contract with Vietnam this spring and begin the offshore oil and natural gas project by the end of the year, the YOMIURI reported.

Idemitsu will be the first Japanese company to acquire rights to the rich underwater reserves and the project is estimated to cost at least 100 billion yen, it reported. Since Vietnam invited international bids for four drilling areas off Haiphong in the north and 10 others off Vungtau in the south last August, Idemitsu and other Japanese oil firms, as well as U.S. and European oil companies, have tendered bids.

Idemitsu is expected to develop a 2,000-square kilometer drilling field southeast of Haiphong for five years under the contract, the YOMIURI said.

SRV Talks on Debts, Aid Called 'Fruitful'

OW2001123092 Tokyo KYODO in English 1149 GMT 20 JAN 92

[Text] Tokyo, Jan. 20 KYODO—Recent Japan-Vietnam talks on the linked issues of debt repayment and a resumption of economic aid were fruitful, a top Foreign Ministry official said Monday.

Negotiators made progress in talks last week in Hanoi, but problems remain for future talks, the official said.

Japan says the issue of repaying debt incurred by the former South Vietnamese Government must be resolved before Tokyo will resume economic assistance suspended in 1979 after Vietnam invaded neighboring Cambodia.

The official, speaking on condition of anonymity, said the January 11-19 Japanese mission also successfully surveyed the situation there in preparation for a resumption of aid.

The Japanese mission held talks with Foreign Minister Nguyen Manh Cam, First Deputy Prime Minister Phan Van Khai, and other Vietnamese officials.

The Japanese mission, comprising middle-ranking officials from several concerned ministries and agencies, visited Hanoi, Ho Chi Minh, and Haiphong.

Tokyo Seeks Revision of GATT Farm Proposal

OW2001090192 Tokyo KYODO in English 0823 GMT 20 JAN 92

[Text] Tokyo, Jan. 20 KYODO—Japan will try to get the General Agreement on Tariffs and Trade (GATT) to revise its proposal to remove nontariff barriers on farm trade and replace them with tariffs, a senior Agricultural Ministry official said Monday.

Yoshihiro Hamaguchi, administrative vice minister of agriculture, forestry, and fisheries, said the request was made on January 13 when GATT resumed the stalled negotiations on farm trade in Geneva.

He said the government has decided to oppose the proposal calling for the opening of Japan's rice market.

The proposal, tabled last December by GATT Director General Arthur Dunkel for discussion, seeks to replace the existing import restrictions on farm products with tariffs without exception.

Hamaguchi said the proposed tariffication is incompatible with the Japanese staple food control act, which allows the government to control the quantity of farm imports.

If rice imports are liberalized without revising the existing law, all imported rice has to be placed under government control, creating a new problem for the government to control rice stocks, he said.

It is therefore natural for Japan to seek revision of the proposal, he added.

UN Official Urges Sending Police to Cambodia

OW2001081592 Tokyo KYODO in English 0707 GMT 20 JAN 92

[Text] Tokyo, Jan. 20 KYODO—The head of the United Nations Transitional Authority in Cambodia, Yasushi Akashi, suggested to Prime Minister Kiichi Miyazawa on Monday that Japan could provide police to assist U.N. operations to restore peace in the war-torn nation.

The suggestion came as Miyazawa is seeking to renew his efforts to pass legislation that would allow Japan to dispatch troops to U.N. peacekeeping operations.

Miyazawa, who last month failed to make good on his pledge to realize an early passage of the bill, is expected to redouble his efforts at a parliamentary session that opens Friday.

Akashi said he told Miyazawa that various countries are providing troops for the estimated 10,000- to 20,000-member force expected to be deployed in Cambodia.

"A 3,000-member U.N. police force is also necessary," he told reporters after emerging from the meeting.

Akashi, a U.N. undersecretary general and the highest-ranking Japanese official at the world body, quoted Miyazawa as saying that Japan intends to provide funds and "other assistance and cooperation."

A Foreign Ministry official said, however, that Japan would not be able to dispatch police without a new law.

Akashi said he told Miyazawa his appointment as head of the transitional authority reflects the tremendous international expectations of Japan's support for efforts to restore peace in Cambodia after 13 years of war.

Akashi told Miyazawa that Japan and the United States are likely to be the main supporters of the United Nations.

He urged both financial and personnel contributions for U.N. operations in Cambodia.

The U.N. Transitional Authority in Cambodia is to supervise both civilian and military operations aimed at disarming factional armies, and preparing for free elections slated for 1993.

The massive deployment of U.N. peacekeeping troops, expected to begin in the middle of 1992, is to be the largest in the U.N.'s history. Costs are expected to reach up to 2 billion dollars.

Social Democratic Party (SDP) Chairman Makoto Tanabe later told Akashi that the biggest opposition party promises to help the United Nations in its efforts to restore peace in Cambodia.

Tanabe, in a meeting with Akashi, said the SDP will call on the Foreign Ministry to make every effort to make financial and personnel contributions to U.N. operations in Cambodia.

Akashi told Tanabe that the U.N. needs 200 million dollars in financial aid for the reconstruction of Cambodia in the first stage.

Japan should extend 30 percent of the financial aid to the world organization, said Akashi, adding that the U.N. hopes Japan will fully back the U.N. missions in Cambodia.

Referring to Japan's personnel contribution to U.N. operations in Cambodia, he said Japan could send a police force, teachers and engineers to Cambodia.

The SDP currently objects to the participation of Self-Defense Forces personnel in the U.N. peacekeeping forces to be deployed in Cambodia.

Three Firms Set Up Joint Venture in Indonesia

OW2101104192 Tokyo KYODO in English 1021 GMT 21 Jan 92

[Text] Jakarta, Jan. 21 KYODO—PT United Tractors of Indonesia, Komatsu Ltd., and Hokuriku Kogyo Co., both of Japan, set up a forging factory at the Cikarang Industrial Estate, West Java of Indonesia, with a 5.4 million dollar investment, a company spokeswoman said Tuesday.

Nancy Ginting said the three companies will operate under the name of PT Hokuriku United Forging Industry (PT HUFI) to produce forged steel goods, including track links and hooks, using Hokuriku Kogyo's technology.

The joint venture was approved in late last month by Indonesia's Investment Coordinating Board, she said.

The spokeswoman said the joint venture, set up with a working capital of 1 million dollars, is 30 percent owned by PT United Tractors, 40 percent by Hokuriku Kogyo, and 30 percent by Komatsu.

PT HUFI would export all its production to Japan during its preliminary operation. The company will begin production in September this year.

PT HUFI has a capacity of about 3,000 tons per annum, and it projects exports will reach about 6 million dollars a year, she said.

In the future, the company also plans to sell products on the domestic market to help reduce its import of forged steel components.

Mitsubishi To Participate in Indonesian Project

OW2101134892 Tokyo KYODO in English 1301 GMT 21 Jan 92

[Text] Jakarta, Jan. 21 KYODO—Japan's Mitsubishi Kasei Corp. and an Indonesian firm on Tuesday signed an agreement with the International Finance Co. on construction of a plant to provide feedstock for Indonesian polyester producers, a spokesman for the Indonesian company said.

The 355 million dollar plant is to be built in Merak, West Java province.

Sidharta Mursid, spokesman of Indonesia's Bakrie and Brothers, said the plant, to be constructed by PT [expansion unknown] Bakrie Kasei Corp. (BKC), a joint venture between Mitsubishi and Bakrie, will provide Indonesia's polyester producers with a secure, competitive source of raw material.

The BKC plant will produce 250,000 tons a year of purified terephthalic acid (PTA), he said.

The spokesmen said PTA is an intermediate chemical used principally in the manufacture of polyester, an important raw material for Indonesia's growing textile industry.

International Finance Co. will guarantee a loan of 125 million dollars to BKC, Mursid said.

He said that 30 million dollars of the amount will be extended by the IFC itself, while 95 million dollars will come from nine Japanese commercial banks.

The company spokesmen said that further project financing is expected from the Export-Import Bank of Japan, and other commercial sources.

French Economy Minister Views Trade Prospects

LD2101100592 Paris Antenne-2 Television Network in French 1900 GMT 20 Jan 92

[Excerpts] Economy Minister Pierre Beregovoy is in Tokyo, Japan. The French economy minister chose the opposite of the approach adopted by George Bush, described as that of a salesman. Pierre Beregovoy chose to play the card of mutual trust, a stand which apparently paid off as, according to the minister himself, Japan offered assurances as to the opening of its markets to European products. Our special correspondent Gerard Leclerc reports:

[Leclerc] [passage omitted: report over video showing site of Kensai airport] Aerospatiale represents a true French breakthrough: more than 500 helicopters sold, the maintenance of which is done here at Osaka, and 90 Airbuses already ordered. This success is no mere chance. [passage omitted] Pierre Beregovoy is showing the way: French enterprises must make an effort.

[Begin Beregovoy recording] French industrialists must come to the spot. In Paris we shall encourage them to do so. Nothing can replace direct dialogue with the Japanese commercial representatives and enterprises. [end recording]

[Leclerc] The French Government has announced a three-year program to help French enterprises overcome the obstacles created by Japanese regulations and financial and cultural specific conditions. Thus they will take advantage of the Japanese prime minister's will to improve his compatriots' quality of life. Pierre Beregovoy also wants to draw the Japanese bankers and industrialists into France. The French minister's arguments are apparently well received by the world's biggest bankers. [passage omitted]

Tokyo To Propose ASEAN Oil Pollution Body

OW1801035392 Tokyo KYODO in English 0240 GMT 18 Jan 92

[Text] Tokyo, Jan. 18 KYODO—Japan is to propose a plan to construct joint facilities in Southeast Asia to fight oil pollution, such as ocean spills from damaged oil tankers, Transport Ministry officials said Saturday.

The initiative will be presented to a meeting of experts from Southeast Asian nations and Japan which will be held in Manila January 30-February 1, the officials said.

The facilities include a center operated by oil experts and a terminal stocked with oil booms, oil-contaminated water recovery units, and other oil treatment equipment, they said.

The Japanese Government is to finance construction of the facilities, to be operated by the six members of the Association of Southeast Asian Nations (ASEAN) after completion, the officials said.

Japan, which gets much of its oil from tankers that pass through the region, has been studying joint operations to fight oil spills since international concern grew in the wake of a huge oil spill in Alaska in March 1989, they said.

LDP Policy Seeks More Global Contributions

OW1901083192 Tokyo KYODO in English 0805 GMT 19 Jan 92

[Text] Tokyo, Jan. 19 KYODO—The ruling Liberal Democratic Party (LDP) on Sunday announced new action policies calling for Japan to make more positive contributions to the international community.

The package of action programs, to be submitted to the party convention Wednesday, especially stresses the importance of Japanese personnel contributions and the quick enactment of the peacekeeping cooperation bill to send Self-Defense Forces members to United Nations peacekeeping operations overseas.

In December the bill was carried over until the ordinary session of the Diet which convenes Friday, because of strong criticism from opposition parties.

Critics say the bill violates the war-renouncing Constitution, which bans the use of military force in settling international conflicts.

For concrete ways to boost Japan's contributions to the world, the new LDP policies recommend more participation in U.N. peacekeeping activities, expansion of official economic assistance to developing countries, and action to fight global environmental problems.

"Japan should strengthen its global contributions not only in the financial field but also in the personnel aspect while maintaining its basic policy of not becoming a military power," the document says.

The action plans call on the government to promote adequate and efficient economic aid to the Commonwealth of Independent States and to advance negotiations on the return of Russian-held islands off Hokkaido to Japan.

On the domestic front, the action programs call political and electoral reforms "urgent tasks" but stop short of listing concrete steps to establish political ethics.

The policies also stress measures to maintain economic growth, centered on domestic demand to create for all people a truly affluent society.

Regarding ongoing multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT), the LDP's action policies say Japan faces difficult prospects in the talks on agricultural products.

The policies pledge that the LDP will work hard to develop an agriculture industry which will steadily provide food for the nation.

Japan's policy of banning rice imports is threatened by a proposal by GATT Director General Arthur Dunkel to convert all nontariff agricultural barriers into measurable duties.

Defense Agency Reviews Defense Buildup Plan

OW2201072892 Tokyo KYODO in English 0712 GMT 22 Jan 92

[Text] Tokyo, Jan. 22 KYODO—A Defense Agency panel Wednesday began reviewing Japan's five-year defense buildup plan to cope with drastically changing global situations following the collapse of the Soviet Union, officials said.

The panel, headed by Akira Hiyoshi, deputy director general of the agency, is scheduled to conclude the review of the fiscal 1991-95 defense program by the summer of 1993, when the agency is to submit to the Finance Ministry a defense budget program for fiscal 1994.

Prime Minister Kiichi Miyazawa instructed the agency to review the plan at the National Security Council last December in view of the thaw in East-West relations and financial difficulties.

The 22.75 trillion midterm defense buildup plan calls for procurement of costly defense systems, including four airborne warning and control planes, known as AWACs, 42 Fe-15 fighters, and 36 units of the U.S.-made multiple launch rocket system.

Discussions at the panel are expected to center on cuts in the planned purchase of frontline weapons such as fighters and warships and Self-Defense Forces authorized manpower. The purchase of the AWACs planes from the United States will also be a focal point of the panel debate, the officials said.

Top Officer: No Military Intervention Overseas

OW2001081392 Tokyo KYODO in English 0725 GMT 20 JAN 92

[Text] Tokyo, Jan. 20 KYODO—Japan's Self-Defense Forces will never intervene militarily in Asian or other foreign countries under the guise of participating in United Nations peacekeeping forces, the country's top military officer said Monday.

Adm. Makoto Sakuma, chairman of the Joint Staff Council of the Self-Defense Forces (SDF), made the remark in reference to the proposed legislation to allow the overseas dispatch of SDF troops to join U.N. peacekeeping operations.

The House of Representatives passed the bill last year, but the opposition-controlled House of Councillors put off a decision until the next parliamentary session starting Friday.

Sakuma, speaking at the Foreign Correspondents' Club of Japan, said, "I avoid commenting on political issues such as U.N. missions. But the sole point I want to make is that the participation of SDF personnel in U.N. missions does not mean we intend to intervene in foreign countries by exploiting the missions."

Japan must learn the historical lessons of World War II, said Sakuma, adding, however, that the use of SDF personnel on U.N. missions will not be dangerous.

The admiral said Japan should make "far more" personnel contributions to international society to help maintain peace and security in the world.

The SDF will participate in U.N. actions only if the United Nations and member countries ask Japan to do so, he said.

Japan, however, should carefully consider whether to decline the participation of its personnel in U.N. missions in areas Japan invaded in World War II, Sakuma said.

Tokyo Studies Lloyd's of London Entering Market

OW2201040592 Tokyo KYODO in English 0307 GMT 22 Jan 92

[Text] London, Jan. 21 KYODO—Japan has promised to give Britain positive consideration for Lloyd's of London, the world's largest insurance organization, to enter the Japanese market, Japanese Government sources said Tuesday. Japan made the pledge during financial talks held Tuesday between Japan and Britain in London. Japanese and British monetary authorities meet periodically to discuss financial issues.

Lloyd's has been hoping to set up shop in Japan. The insurance concern, however, has been refused approval to operate because it is a collective organization of insurance underwriters for individuals, which under Japan's current Insurance Business Law is prohibited from conducting business in Japan.

During the negotiations, the British called on Japan to allow Lloyd's to operate in Japan, sources close to the meeting said. Tokyo responded by promising to give the matter positive consideration, they said.

They also discussed the relaxation of restrictions on Japanese brokerage subsidiaries in Britain to serve as lead managing underwriters of Europound securities, Japanese Government sources said. On the lead underwriting of Europound securities, London last year permitted some Japan brokerage subsidiaries to act as managing underwriters for Japanese firms issuing the securities. But Tokyo is pressing London to allow Japanese securities subsidiaries to serve as managing underwriters for Europound issues floated by non-Japanese firms as well. During the talks Britain, in turn, pledged to give the matter positive consideration in the near future, they said.

Japan's Vice Finance Minister for International Affairs Tadao Chino and other ranking ministry and Bank of Japan officials took part in the talks.

Ministry of Finance Comments

OW2201105792 Tokyo KYODO in English 0759 GMT 22 Jan 92

[Text] Tokyo, Jan. 22 KYODO—Collective organizations of insurance underwriters for individuals, like Lloyd's of London, will be allowed to operate in Japan, a source at the Ministry of Finance (MOF) said Wednesday.

The source was commenting on reports Japan promised to give positive consideration for Lloyd's, the world's largest insurance organization, to enter the Japanese market. Japan made the pledge to Britain during financial talks Tuesday in London.

Lloyd's, which has been hoping to set up shop in Japan, has been refused approval to operate under Japan's insurance business law, which prohibits such organizations from conducting business.

The government will work out legislation for a new insurance business law by revising and combining existing laws on Japanese and foreign insurers, according to the source.

A ministry advisory council last year recommended that insurance brokers, who help businesses and individuals select appropriate life, marine, and fire insurance policies, be allowed to operate in Japan.

Analysts said the proposed reform of the insurance industry would facilitate Japanese market entries of foreign insurance companies.

Opposition Parties To Submit Antigraft Bill

OW2101090192 Tokyo KYODO in English 0425 GMT 21 Jan 92

[Text] Tokyo, Jan. 21 KYODO—Leaders of three opposition parties agreed Tuesday to submit to the Diet an antigraft bill aimed at stripping bribery-tainted legislators of their qualifications and placing strict controls on their eligibility to run in future elections, opposition sources said.

Social Democratic Party (SDP) Chairman Makoto Tanabe, Democratic Socialist Party (DSP) Chairman Keigo Ouchi and United Social Democratic Party (USDP) leader Satsuki Eda reached the agreement in a meeting at a Tokyo hotel.

The meeting was hosted by Akira Yamagishi, President of Japan's largest labor organization, Rengo, who is seeking to unify the country's social democratic forces.

The three parties will table the bill during the next regular Diet session due to convene Friday, the sources said.

The SDP, DSP and USDP will demand that the government and the ruling Liberal Democratic Party (LDP) accept political responsibility for a bribery scandal involving former State Minister Fumio Abe.

Prosecutors arrested Abe, former head of the Hokkaido and Okinawa Development Agency, who was a close ally of Prime Minister Kiichi Miyazawa, on January 13 on suspicion of accepting 80 million yen in bribes from Kyowa Corp., a now bankrupt steel frame maker at the center of a cash-for-favors scandal.

The three opposition leaders also agreed to call for a cutback in the 4,552 billion yen defense budget for fiscal 1992, the sources said.

LDP Members Urge Abe's Resignation From Diet

OW2001123192 Tokyo KYODO in English 1129 GMT 20 JAN 92

[Text] Tokyo, Jan. 20 KYODO—Members of the ruling Liberal Democratic Party (LDP) on Monday called on Fumio Abe, under arrest on suspicion of taking bribes, to resign from the House of Representatives.

Two executives of the LDP faction led by Prime Minister Kiichi Miyazawa, Chairman Shigeru Kasuya and Yuya Niwa, made the call "as former friends" of Abe in a visit to his office, LDP sources said.

In Kobe, western Japan, Hiroshi Mitsuzuka, former head of the LDP's Policy Affairs Research Council, also suggested Abe step down.

Abe, former director general of the Hokkaido Development Agency, was arrested last week on suspicion of accepting 80 million yen in bribes from Kyowa Co. He denies the allegations.

He has resigned from the party but vowed through a spokesman to keep his Diet seat.

Kasuya and Niwa told Abe's secretary they hoped the former state minister would consider the "severe atmosphere" in and out of the party and then decide, the sources said.

Mitsuzuka, in a speech to supporters, said those who cannot "keep their principles" should leave the political world.

Shoichi Watanabe, head of the party's Hokkaido branch, told LDP Secretary General Tamisuke Watanuki that most Hokkaido branch members consider Abe's resignation "natural," LDP sources said.

At an ordinary Diet session to be convened Friday, the Social Democratic Party and other opposition parties plan to submit a resolution urging Abe to resign from the House of Representatives.

Detention of Abe, Moriguchi Extended 10 Days

OW2201074892 Tokyo KYODO in English 0705 GMT 22 Jan 92

[Text] Tokyo, Jan. 22 KYODO—The Tokyo District Court agreed Wednesday to extend by 10 days the detention of Fumio Abe and Goro Moriguchi, the two key figures arrested in the Kyowa bribery scandal.

Abe, former director general of the Hokkaido Development Agency and a House of Representatives member, was arrested last week on suspicion of accepting 80 million yen in bribes from Moriguchi, a former vice president of Kyowa Co., a steel frame maker that has since gone bankrupt.

Moriguchi was arrested on suspicion of bribing Abe.

Abe has denied the allegations.

The court approved a request by the Tokyo District Public Prosecutors Office that they be able to hold Abe beyond the Thursday expiration of the initial term of detention.

Prosecutors said they sought the extension Wednesday to give them time to work with the Justice Ministry on procedures to officially notify lower house speaker Yoshio Sakurauchi of Abe's arrest before the Friday opening of a regular Diet session.

By law, when a Diet member is arrested prior to the opening of a Diet session, the Cabinet must officially notify the speaker of the arrest before the start of the session.

Opposition parties are vowing to grill Prime Minister Kiichi Miyazawa's cabinet about the Kyowa scandal. Abe was a former secretary general of the Miyazawa faction within the ruling Liberal Democratic Party.

Nara Byelection Outcome Seen as Voter Judgment

OW2201153292 Tokyo KYODO in English 1339 GMT 22 Jan 92

[Text] Nara, Jan. 22 KYODO—Three candidates formally declared their candidacy here Wednesday in a House of Councillors' by-election widely perceived as a chance for voters to pass judgment on the Kyowa scandal prior to an upper chamber election in July.

Registering their candidacy with the Nara Prefectural Election Management Commission were Yukihisa Yoshida, 65, jointly backed by the Social Democratic Party (SDP), the Democratic Socialist Party (DSP) and the United Social Democratic Party (USDP), Nobuharu Enoki, 52, the ruling Liberal Democratic Party (LDP) candidate, and the Japanese Communist Party's (JCP) Mitsuko Imai, 36.

The by-election was called to fill the upper house seat left vacant by the death last December of Kazuo Shinsaka of Rengo Sangiin, a group of 10 legislators backed by

Japan's largest trade union, the 8 million-strong Japanese Trade Union Confederation (Rengo).

Voters in the Nara constituency will cast their ballots on February 9.

Political analysts said the outcome of the upcoming vote will provide a clue as to what verdict Japanese voters will hand down on the unfolding Kyowa scandal, in which former Cabinet Minister Fumio Abe, an LDP Dietman, is accused of having accepted bribes.

In the cash-for-favors scam, Abe, the de facto treasurer of the faction within the LDP headed by Prime Minister Kiichi Miyazawa, allegedly received some 80 million yen in exchange for his influence in boosting a land developer's business opportunities on public work projects.

Senior LDP legislators have already expressed anxiety over what setbacks the Kyowa scam would deal to LDP candidates fielded by the party in the national election in July.

Which candidates the usual supporters of Komeito, which is not fielding a candidate in this election, will vote for is another point under scrutiny, the analysts said.

Yoshida, a former House of Representatives legislator of the DSP who gave up his seat in the February 1990 lower house election, has said the by-election is one "at which voters should criticize corrupt politics dominated by the LDP through the ballot box."

Enoki, the LDP hopeful, said he would try to win support by pledging to become a conduit through which greater budgetary assistance from the central government could be secured for local public work projects.

Imai, another staunch critic of the Kyowa scam and the LDP's money politics, said she would appeal for support from female voters and the elderly by underlining her career as a social worker with long experience in welfare activities.

SDP Reshuffles Shadow Cabinet, Chooses Women

OW2201105892 Tokyo KYODO in English 1008 GMT 22 Jan 92

[Text] Tokyo, Jan. 22 KYODO—Social Democratic Party (SDP) on Wednesday set up the second shadow cabinet, increasing its lineup of ministers and vice ministers by nine to 40, with party Chairman Makoto Tanabe as prime minister.

The new shadow cabinet consists of three top posts—prime minister, deputy prime minister, and secretary general—and 12 ministers and 25 vice ministers.

Women joined the shadow cabinet for the first time since the No. 1 opposition party started forming such a cabinet in September last year.

They are Manae Kubota, who was named as foreign minister, and Yasuko Takemura, human rights and women minister.

Five newly created and independent ministerial posts were: defense, construction, environment and science, human rights and women, and traffic and telecommunication.

Tanabe said he formed the second shadow cabinet to deal with day-to-day parliamentary policies more effectively in consideration of such important issues as a bill to allow Self-Defense Forces overseas to help U.N. peacekeeping missions and a bribery scandal involving former State Minister Fumio Abe. The Diet will start the deliberation on Friday.

Large-Lot Stock Trading Fees Decontrol Viewed

OW2201145092 Tokyo KYODO in English 1241 GMT 22 Jan 92

[Text] Tokyo, Jan. 22 KYODO—An advisory panel to the finance minister will propose in a final report that fees on large-lot stock transactions be liberalized as part of measures to prevent financial scandals, panel sources said Wednesday.

In the final report, the Securities and Exchange Council also will suggest that the Finance Ministry cease to issue oral administrative guidances to brokerage firms and make a flexible application of brokerage license issuing standards to promote new entries of broking firms, the sources said.

The report is expected to be approved at the council's general meeting scheduled for next Tuesday, together with an interim report earlier prepared by a subcommittee.

The interim report calls for working out clearer standards for judging stock manipulation cases and imposing a ban on excessive stock promotion by brokerage houses, the sources said.

The final report stresses the necessity of promoting fair competition by revising license issuing standards and taking measures to remove controls on brokerage fees, they said.

It says it is imperative to review and correct the ministry's conventional administrative stance, the industry's rules, and the traditional systems and practices which restrict fair competition.

On the ministry's administrative guidances, which have been blamed for overprotective stance, the report suggests regulation on unfair transactions such as excessive stock sales promotion, saying deals under fictitious names should be legislated.

Otherwise, such matters should be left to rules imposed by the Japan Securities Dealers Association, the sources said.

The final report says it is necessary to beef up the functions of the association and stock exchanges to have securities houses and prospective securities subsidiaries of banks strictly observe voluntary regulations of the association.

While suggesting that fees on large-lot brokerage transactions be liberalized at first, the report says that its implementation should come after a one-year working-level study on the exact date for the liberalization and the specific volume of transactions affected.

The report does not advocate decontrolling fees on smaller deals. It only says the advisory panel will probe future developments by carefully watching the impact of the liberalization of large-lot transactions fees.

The report will propose raising capital requirements for a brokerage licence from the current 20 million yen to 3 billion yen range up to 100 million yen to 10 billion yen. It will also call for brokerage applicants to have prospects of getting into the black within three years of business starting.

The report asks for relaxation of regulations provided by article 31, an economic clause, of the Securities and Exchange Law to promote fair competition, though it does not recommend repealing the article itself.

Regarding investment trust business, the report calls for abolition of a standard requiring the number of about 30 executive directors and a cut in the minimum capital requirement on investment trust firms from the present 500 million yen to 300 million yen.

The Finance Ministry will submit a bill incorporating revisions in such areas as required capital and account prospects to the next Diet session that starts Friday.

Liberalization of Brokerage Commissions Suggested

OW1601085692 Tokyo KYODO in English 0805 GMT 16 Jan 92

[Text] Tokyo, Jan. 16 KYODO—Regulations on brokerage commissions should be relaxed in a step-by-step process starting with large-lot transactions, a Finance Ministry advisory panel said in a draft report obtained by KYODO News Service on Thursday.

The document, prepared by the Securities and Exchange Council, suggests a sub-panel be formed to study ways to liberalize such commissions for a year or so, indicating that such a liberalization could be done in the spring of 1993 or afterward.

The proposed timing of liberalization reflects strong opposition from the brokerage industry to an early liberalization of commissions.

The Finance Ministry initially planned to submit related bills to the next ordinary session of the Diet which opens January 24.

The report underlines the importance of liberalizing brokerage commissions that are now tightly regulated, saying it is necessary to review the role of commissions with a view to introducing competition.

The panel's report implicitly criticizes the ministry for failing to switch its priority away from protection and promotion of the securities industry to fair competition in the securities market, citing lack of fair competition as a factor behind last year's brokerage scandals.

As a way to proceed with liberalization of commissions on large-lot trading, the panel recommends that fixed commissions could be maintained for small-lot trading in order to prevent a possible rise in commissions on small-lot trading, or those mostly paid by individuals.

The report stops short of pressing for relaxing regulations on commissions for small-lot trading, saying the level of such commissions is still lower than in the United States and Britain.

Among other proposals, the report calls on the ministry to move toward promoting new entries into the primary securities market by relaxing rules on underwriting fees and those on fixing issue prices of securities for public placement.

Brokers View Tight Monetary Policy Maintenance

OW1801013392 Tokyo KYODO in English 0053 GMT 18 Jan 92

[Text] Tokyo, Jan. 18 KYODO—The short-term money market is unlikely to ease next week, as the Bank of Japan (BOJ) is expected to continue a tight monetary stance in an attempt to quell growing speculation about lower interest rates, money brokers predict.

In the open market, the rate on primary-market three-month certificate of deposits (CDs) ended the week at 5.25 percent, but it could climb again to 5.3 percent if the BOJ shows a tight monetary stance, they said.

In that case, the benchmark unsecured overnight call rate in interbank trading would also firm up to about 5.5 percent, they said.

As possible market-moving factors next week, the brokers cited the BOJ's quarterly branch managers meeting on Monday and Tuesday, BOJ Governor Yasushi Mieno's regular press meeting on Wednesday, and the release on Thursday of money supply figures for December.

A money broker at a major commercial bank said, however, the Tokyo money market would not react much to any comment by Mieno, for instance, that the central bank is not considering another cut in the official discount rate.

But if December money supply growth remains below 2 percent year on year, speculation of another cut in the key lending rate would emerge and the three-month CDs rate would ease toward 5.2 percent, he said.

Brokerages Planning Market Support Measures

OW2201001592 Tokyo KYODO in English 2319 GMT 21 Jan 92

[Text] Tokyo, Jan. 22 KYODO—The "Big Four" brokerage houses are considering setting up an organization that would buy stocks when the stock market takes a one-way slide, a major daily newspaper reported Wednesday.

In a front-page story, the MAINICHI SHIMBUN said the plan emerged when senior officials in charge of stock trading at the four brokerages—Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co. and Yamaichi Securities Co.—called an urgent meeting Tuesday amid a lingering market slump.

According to the newspaper, the four brokerages would invite smaller brokerage firms to join the new organization, which would buy stocks offered for sale in order to underpin the stock market and prevent volatile price movements.

Such an organization would be similar to those set up by the brokerage industry around 1965, when the industry slipped into a deep recession.

The newspaper said the latest move by the four brokerages reflects deep concern about prospects for the stock market, which has failed to shake its unabated slump amid selling pressures by investment trusts facing a wave of cancellations by investors.

Bank Head Denies Possibility of Sharp Recession

OW1701082492 Tokyo KYODO in English 0651 GMT 17 JAN 92

[Text] Tokyo, Jan. 17 KYODO—Bank of Japan Governor Yasushi Mieno said Friday while the country's economic slowdown is deepening there is little possibility of plunging into a sharp recession.

Reflecting current economic adjustments, he said domestic inflation, especially wholesale prices, is under control at the moment and land prices have also stabilized.

A tight labor market, however, is supporting robust consumer spending and having a moderating effect on the economic adjustment process.

Company investments aimed at efficiency and energy savings along with beefed-up spending toward employee welfare are also propping up the economy, he said.

The central bank, however, said a wider spectrum of industrial sectors were adjusting their inventories and business confidence has deteriorated further.

The central bank's latest cut in the official discount rate was designed to boost business confidence, Mieno said, and domestic interest rates have dropped enough to encourage corporate capital spending.

The central bank lowered the benchmark rate by 0.5 percentage point December 30 to 4.5 percent.

Mieno also pointed out in the speech that there is no crack in the policy coordination among the Group of Seven (G-7) major industrialized countries.

"The German monetary authorities cannot stomach the current level of inflation," which is running at about 4 percent annually, Mieno said.

The BOJ head was speaking against the backdrop of a recent rise in German interest rates and a drop in U.S. interest rates, which has spawned speculation in financial markets that G-7 policy coordination may have collapsed.

Mieno admitted the economy is likely to continue readjusting and growth pace could decelerate further.

But he said monetary policy alone cannot prevent cyclical changes in the economy and policy should not concentrate on short-term fixes but should be aimed at noninflationary sustainable growth in the long haul.

The Japanese economy is going through a "desirable" process of recovering normal growth and redressing various strains caused by the excessive expansion of the late 1980s, he said.

"I have firm confidence in the resiliency and flexibility of the Japanese economy," he said.

Comments on Domestic Price Trend

OW2001030192 Tokyo KYODO in English 0215 GMT 20 Jan 92

[Text] Tokyo, Jan. 20 KYODO—Bank of Japan [BOJ] Governor Yasushi Mieno said Monday that the domestic price trend still demands close monitoring since the labor market remains tight.

Mieno, in a speech opening a meeting of BOJ branch heads, said it is unprecedented for the supply-demand balance to be as tight as it is now when the economy is in a downward cycle.

Domestic wholesale prices have further stabilized, however, contributing to the overall dormancy of inflation, he said.

Mieno reiterated that the domestic economy is deepening the slump amid inventory adjustment, but added there is little risk of the economy plunging into a serious recession.

The central bank leader said the economy is supported by a strong corporate appetite for investments in research and development as well as for streamlining and rationalization, despite stock adjustment on the capital spending front.

Consumer spending also remains brisk, supported by the tight labor market, he said.

Considering the substantial declines in both the official discount rate and market interest rates, the financial conditions are right for the economy to shift smoothly and steadily to a more desirable figure.

The central bank will retain its cautious monetary stance with price stability as the top priority, he said.

BOJ in 'Dilemma' Over Interest Rate Adjustment

OW2201145192 Tokyo KYODO in English 1331 GMT 22 Jan 92

[Text] Tokyo, Jan. 22 KYODO—The Bank of Japan (BOJ) seems to be in a dilemma over financial policy management amid speculation it is allowing interest rates to fall on the money market to help prop up the slumping stock market.

Financial market sources said the central bank is allowing short-term interest rates to decline as a means of stimulating the protracted stock market slump.

The speculation prompted short-term interest rates on the money market to plummet despite a central bank warning against optimism that interest rates would fall further on the money market.

BOJ officials said all necessary preparations have been made for a balanced growth of the Japanese economy, a warning against expectations of further interest rate declines.

Signs of the precarious change in the central bank's monetary stance were detected shortly after the 225-issue Nikkei stock average fell below 21,000 yen earlier this week, financial sources said.

The sources said the central bank poured a huge amount of funds into the money market and guided interest rates on certificates of deposit lower.

The sources said the step was regarded as an effort to avoid a further slump in the stock market and prevent the key index from falling below the resistance barrier of 20,000 yen.

The central bank is in a dilemma because any step taken by the bank to prevent a further fall in interest rates will prompt a plunge in stock prices while inaction will help a further fall in interest rates on the money market.

In a related development, commercial banks are expected to further lower the long-term prime rate and housing loan interest rates, financial sources said.

The sources said there is a strong possibility that the long-term prime rate—the most preferential interest rate charged by commercial banks on loans to creditworthy customers—will be lowered to 6.0 percent next month, down 0.6 percentage point from January.

Mieno: Business Confidence Shows Sign of Upturn

OW2201080892 Tokyo KYODO in English 0757 GMT 22 Jan 92

[Text] Tokyo, Jan. 22 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno said Wednesday Japan's business confidence is showing signs of an upturn, although the economic slowdown is slightly picking up the pace.

Mieno also said at a regular press conference that he is not "absolutely" considering another cut in the official discount rate.

Mieno, referring to the reports by BOJ's branch heads at their meeting Monday and Tuesday, said he heard many reports that the business confidence shows signs of gradual recovery in regions, although the corporate sentiment on the economy remains cautious.

The central banker said the effects of credit easing since last July will become apparent in coming months.

The bank lowered the key lending rate three times since July 1 to an annual 4.5 percent to boost the faltering economy.

Mieno nevertheless said the economy is slowing at a slightly faster pace with the inventory adjustment spreading to a wide spectrum of industrial sectors.

"The current weak stock market will have a negative impact on the real economy through dampening corporate finance. But the bearish market is not putting any drag on the ongoing process for the economy to shift to a balanced growth," he said.

He reiterated that the yen should stabilize in an upward direction as a general argument but refused to comment on the expected meeting of the Group of Seven finance ministers and central bankers.

Mieno said the current adjustment of the economy will continue for the time being but will likely turn out to be a mild one.

He pointed out corporate investments for research and development as well as for streamlining and rationalization are strong, and consumer spending also remains brisk.

Movements are emerging among businesses to review their management foundations to prepare for a more moderate and balanced economic growth, he said quoting the reports by BOJ branch heads.

But it will take some time for the effects of loosening the monetary policy to fully make itself felt, making the business confidence sanguine again, he said.

Mieno also said land prices have not showed any signs of upturn despite the lift of the restrictions on loans to property companies at the end of last year.

"Land prices remain on a downtrend and no major change has occurred in the trend," he said.

But Mieno added the filth created by the speculation bubble in the late 1980s has not been completely cleaned up yet.

"We will keep a close watch on the land price trend," he said.

"The monetary policy has not yet played all its part in removing the bubble and we will never allow our monetary policy to help the bubble resurge."

Shorter Work Hours Urged Instead of Wage Hikes

OW2101102092 Tokyo KYODO in English 0855 GMT 21 Jan 92

[Text] Tokyo, Jan. 21 KYODO—Labor-management negotiations in the 1992 spring labor offensive should focus on shorter working hours, rather than higher pay, the Federation of Employers Associations (Nikkeiren) suggested in a report Tuesday.

The report, approved at a special meeting of the big-business group, is intended to serve as the management's policy guidelines for the coming annual labor campaign for higher pay and better working conditions.

It said shorter annual working time should be a priority goal for both labor and management to bring about a more relaxed lifestyle and improved standards of living in Japan.

Pay raises this year should be limited within the range of productivity increases, or more specifically, to the average periodic raise of slightly over 2 percent, the report said.

At the same time, starting pay for new school and college graduates should be frozen at the 1991 level, it suggested.

Nikkeiren President Takeshi Nagano said in an address to the meeting that companies must cut costs to deal with the economic slowdown and must avoid a sharp rise in labor costs through a combination of shorter working hours and higher pay.

Wages in Japan, he said, are higher than those in Germany and the United States.

The Japanese private sector Trade Union Confederation (Rengo), a national labor federation, recently called for a pay raise of 8 percent or over 20,000 yen a month in the labor campaign this year.

Rengo criticized Nikkeiren's report, saying it aims only at controlling wage increases.

Japan's largest trade confederation praised the fact that the report placed top priority for labor and management on reducing working hours, saying it is a landmark in Nikkeiren's traditional stance.

However, the Rengo said Nikkeiren's "productivity standard principle" that pay raises should be kept within the range of productivity increases aims at only curbing wage increases.

The statement said triggering expansion of consumer demand by expanding public investment and wage increases is an urgent task.

Greenpeace Urged To Stop Obstructing Whaling

OW2201121192 Tokyo KYODO in English 1129 GMT 22 Jan 92

[Text] Tokyo, Jan. 22 KYODO—Japan has asked the Netherlands to take measures to stop the Holland-based environmental group Greenpeace from obstructing its whaling operations in the Antarctic ocean, the Fisheries Agency said Wednesday.

The agency said the request was made to the Dutch Government through diplomatic channels.

Agency officials said that since December, Greenpeace vessels repeatedly obstructed whaling operations that Japan says are research missions allowed under international agreement.

Greenpeace has waged a public campaign against whaling, saying that under the guise of research, Japanese boats are commercially hunting endangered whales.

Japanese whalers catch a limited number of minke whales in the region under a scientific project approved by the International Whaling Commission.

The officials said the Japanese fleet plans to catch about 300 whales in the current operation ending in March.

Japan claims the research whaling is designed to collect data on the minke whale population in the region to determine if stocks can be replenished despite hunting.

The agency appealed to Greenpeace to stop its obstruction and debate the whaling issue on the basis of scientific data.

New Legislation on Industrial Wastes Urged

OW1701133292 Tokyo KYODO in English 1250 GMT 17 Jan 92

[Text] Tokyo, Jan. 17 KYODO—An advisory panel recommended Friday the government take steps for quick enactment of legislation along the lines of an international convention on movement of hazardous wastes.

The Industrial Structure Council made the recommendation to International Trade and Industry Minister Kozo Watanabe as the treaty will come into force shortly—probably in the first half of this year.

The Basel Convention on the Control of Transboundary Movement of Hazardous Wastes and Their Disposal, adopted in March 1989, will go into effect 90 days after 20 nations ratify and become parties to the convention. So far, 16 countries have joined.

The convention makes it mandatory for one country to inform another in advance if it is sending dangerous wastes to that country.

The ministry plans to submit a pertinent bill to the Diet when its ordinary session convenes later this month, officials said.

Pollution Control Equipment Orders Said To Soar

OW2101101392 Tokyo KYODO in English 0930 GMT 21 Jan 92

[Text] Tokyo, Jan. 21 KYODO—Orders for pollution control equipment soared to a record high in November amid the growing awareness of environmental problems, the industrial machinery industry reported Tuesday.

The Japan Society of Industrial Machinery Manufacturers (JSIMM) said orders for environmental protection equipment received by its member firms in November increased about 3.5-fold over a year earlier to a record 154.6 billion yen.

The association attributed the sharp rise to a nearly 10-fold increase in the value of orders for waste disposal equipment to 109.2 billion yen.

Association officials said the growing awareness of the need for environmental preservation and a dramatic increase in industrial and household waste in urban areas are responsible for the increase.

By category, orders for water pollution control equipment accounted for 32.8 billion yen, up 21.4 percent, while those for air and noise pollution control facilities were up 84.6 percent and 87.6 percent respectively at 11.7 billion yen and 700 million yen, the association said.

Toyota, Nissan Domestic Sales Said Down in 1991

OW2101114392 Tokyo KYODO in English 1037 GMT 21 Jan 92

[Text] Tokyo, Jan. 21 KYODO—Toyota Motor Corp. and Nissan Motor Co. suffered year-on-year declines in their domestic sales of 5.9 percent and 4.2 percent respectively in 1991, the two major Japanese car makers said Tuesday.

The year-on-year declines, the first since 1981 for Toyota and since 1986 for Nissan, mirrored the sluggish automobile market last year.

Toyota's domestic sales came to 2,355,356 vehicles, while Nissan sold 1,344,853 vehicles, according to the companies.

Toyota's poor sales were partly due to a drop in sales of current models such as the "Mark II" ahead of the introduction of new models as well as to sales of the new "Corolla" model falling short of the previous year's level, Toyota officials said.

As a consequence, Toyota's domestic market share fell 0.9 percentage point to 41.0 percent, the lowest level since 1984, when it was 40.8 percent, they said.

Nissan's domestic market share for the year was 23.4 percent, down 0.1 percentage point from 1990, according to Nissan officials.

Toyota's production last year was down 3.0 percent to 4,085,081 vehicles, the first year-on-year drop since 1987, while Nissan's production was down 3.6 percent to 2,330,943 vehicles, for the first decline following three consecutive years of growth.

Nissan's overseas production, on the other hand increased 13.6 percent from the year before to 751,528 vehicles, while Toyota's edged down 1.2 percent to 669,741 vehicles.

Toyota's exports rose 1.6 percent from the preious year to 1,703,589 vehicles while those of Nissan edged up 0.5 percent to 960,960, partly due to growing demand in the Middle East. Exports by both companies to the United States were down.

In December, Toyota's domestic sales fell 7.8 percent from a year earlier to 167,414 vehicles, for the 14th straight monthly year-on-year decline.

Toyota's December production inched up by 0.2 percent to 325,138 vehicles, while exports rose 1.6 percent to 142,952 vehicles.

Nissan's domestic sales were down 9.0 percent to 87,644 vehicles, production was down 2.3 percent to 190,750 vehicles, and exports were down 3.7 percent to 94,532 vehicles.

NTT Plans To Enter Semiconductor Market

OW1901045492 Tokyo KYODO in English 0406 GMT 19 Jan 92

[Text] Tokyo, Jan. 19 KYODO—Nippon Telegraph and Telephone Corp. (NTT) will enter the semiconductor market with sales of large-scale integrated circuits (LSICs) for protecting the secrecy of information systems, a major economic daily reported Sunday. NTT's subsidiary, NTT Electronics Technology, based in Tokyo, is working to receive orders for the NTT-developed LSICs, the NIHON KEIZAI SHIMBUN reported.

NTT, which has procured semiconductors manufactured by outside companies for its business, decided to sell the LSICs to stabilize the NTT group's business, the daily reported. NTT's marketing of semiconductor technology for communications is expected to affect the semiconductor market at home and abroad.

NTT expects yearly sales of the LSICs to amount to hundreds of millions of yen, the daily reported. NTT will entrust the production of the LSICs to domestic makers but is considering manufacturing them at its subsidiary, it reported.

World's First Superconducting Ship Reported

OW1901093292 Tokyo KYODO in English 0915 GMT 19 Jan 92

[Text] Kobe, Jan. 19 KYODO—The world's first ship propelled by a superconductive magnet will soon start test sailing off Kobe, officials said Sunday.

The electromagnetic-thrust Yamato 1—nearing completion at the Mitsubishi Heavy Industries Ltd. shipyard in Kobe—will be put in the sea by the end of this month and will sail by the end of February, company officials said.

They said superconducting vessels, virtually silent because of a lack of vibrations, will be the dream ships of the next generation.

Eventually, they said, developments on the superconductive magnet will allow such ships to attain speeds of at least 100 knots (about 185 kilometers per hour).

The 280-ton Yamato 1 will travel at a bicycle-like top speed of 8 knots (about 15 km per hour), said the officials, who predicted superconductive ships would be ready for commercial use around 2010.

Instead of a regular screw propeller, the streamlined craft has a superconducting magnet on the hull that will generate an electromagnetic field down into the sea, perpendicular to the water's surface.

The Yamato 1, about 26 meters long and 10 meters wide, can carry 10 passengers including three helmsmen.

Its design takes advantage of "Fleming's Rule"—which says an electric current sent at right angles to a magnetic field creates a force—to propel the craft forward.

Sending the current in one direction will propel the ship forward, shutting it off will stop the ship, and reversing the current's direction will make the Yamato 1 move backward, the company officials said.

The Ship and Ocean Foundation, successor to the Japan Foundation for Shipbuilding Advancement, has spent about 5 billion yen developing the Yamato 1 since 1985. The foundation commissioned the design and construction of the ship mainly by Mitsubishi Heavy Industries' Kobe shipyard.

Storage Battery Firm Unveils Expansion Program

OW1701110692 Tokyo KYODO in English 0846 GMT 17 Jan 92

[Text] Osaka, Jan. 17 KYODO—Japan's largest storage battery manufacturer Japan Storage Battery Co. unveiled Friday a business expansion program aimed at increasing its domestic sales and exports 2.5-fold by fiscal 2001.

The Kyoto-based company said the 10-year plan, named Vision 21, calls for the firm to boost sales of its mainstay products, such as batteries for automobile and industrial use and power generating systems, by about 43 percent from fiscal 1991 to an estimated 100 billion yen in 2001.

The company said it also will actively expand into new business areas, including industries related to electric cars and environmental protection.

The company said its sales in fiscal 2001 will amount to 350 billion yen, 250 billion yen at home and 100 billion yen overseas.

Sharp Develops Durable Amorphous Solar Cell

OW2001014892 Tokyo KYODO in English 2329 GMT 19 Jan 92

[Text] Tokyo, Jan. 20 KYODO—Sharp Corp. has developed an amorphous solar cell able to withstand more solar light than similar solar cells, paving the way for commercial production of a low-cost photovoltaic power generation system, a business daily reported Monday.

The solar cell is composed of three layers, including an amorphous silicon sheet sandwiched by an amorphous compound, and undergoes less deterioration in power generating efficiency, the NIKKEI SANGYO SHIMBUN said.

According to the newspaper, the solar cell has a 5 percent generating efficiency deterioration ratio for its initial year of use, a far smaller loss ratio than the 15 percent found in similar solar cells currently available.

Sharp, a leading consumer electronics maker, has been studying ways to enhance reliability of solar cells under the so-called sunshine program, a government-sponsored plan aimed at developing high-performance solar cells for commercial use.

3-D Display Device for CAD Systems Developed

OW2001030092 Tokyo KYODO in English 0159 GMT 20 Jan 92

[Text] Tokyo, Jan. 20 KYODO—Toshiba Corp. said Monday it has developed a prototype three-dimensional display device for initial application in computer-aided design (CAD) of mechanical parts and architectural plans.

Company officials said the device uses 768 light-emitting diodes to create realistic three-dimensional images that surpass two-dimensional images offered by existing displays used for computer graphics simulations.

Toshiba plans to develop a practical system incorporating the device in 1994, they said.

Current supercomputers and dedicated CAD computers allow computer graphics to be used to simulate mechanical parts and other objects, but those images are two-dimensional, the officials said.

Mongolia

Premier's Resignation Viewed as Economy Worsens

BK1701143792 Hong Kong AFP in English 1226 GMT 17 Jan 92

[Text] Ulaanbaatar, Jan 17 (AFP)—Just six months away from general elections, Mongolia's parliament will reach a decision in the next few days on the resignation of Premier Dashiyn Byambasuren, political sources said here Friday.

Byambasuren proffered his resignation Thursday after delivering a report on the government's performance to the People's Grand [Great] Hural, the upper house of Mongolia's parliament.

The Grand Hural continued Friday to examine sections of the report dealing with the economy and is expected to reach a verdict on the resignation Sunday or Monday.

The ruling Mongolian People's Revolutionary Party has a large majority in parliament. However, since the sweeping reforms in early 1990, this former communist party has split into rival factions, making it hard to predict parliament's verdict on Byambasuren, who belongs to the reformist wing.

Referring to the economic crisis in Mongolia, Byambasuren said "the government has proved itself incapable of adequately protecting the people and the country from upheavals caused by radical changes in the course of history."

Analysts said the resignation, which surprised political circles, may have been a tactical maneuver to check increasing discontent with the government's policies.

"If it is accepted," said Byambasuren, "my resignation will allow political forces to carry out their role and will not provoke a political crisis."

He said he had decided to resign after a public opinion poll late last year in the official ARDIYN TOR newspaper showed the majority of politicians wanted the government to fall.

The 49-year-old Moscow-trained economist became premier of this huge country of 2.5 million people squeezed between China and Russia in September 1990.

In his resignation speech, Byambasuren said gross industrial production had fallen more than 10 percent in 1991, total trade volume by 60 percent and national income by about 13 percent, with total national income at 180 million dollars.

He attributed the falls to the changes in Eastern Europe and the former Soviet Union, of which Mongolia was a satellite for 70 years.

The economic crisis, which has led to rationing on all basic foodstuffs and fuel, was worsened by the most violent winter storms for 30 years, which hit large areas of Mongolia.

Parliament adopted a new constitution Monday based on parliamentary democracy and a market economy, and guaranteeing individual freedom, an independent judiciary and human rights.

General elections, which the constitution stipulates must be held within the next six months, are expected to take place around June, political sources said.

Mongolia was the first Asian country to embrace and to reject communism—in 1924 and 1989 respectively.

Formation of New Government Planned for Jun

OW1701180092 Beijing XINHUA in English 1636 GMT 17 Jan 92

[Text] Ulaanbaatar, January 16 (XINHUA)—Mongolia will hold a national election of members to the State Great Hural and form a new government this June, the Mongolian News Agency reported today.

This was contained in the additional act to the Mongolian Constitution, which was adopted at the second meeting of the 12th Session of the Great People's Hural Thursday, the agency report said.

According to the new constitution, the State Great Hural, or the parliament, will be unicameral and consist of 76 members serving a four year term.

Mongolian citizens of over 25 years old are eligible for voting and being elected members of the State Great Hural, the supreme legislative body of the country.

Observers here said that since Premier Dashiyn Byambasuren had submitted his resignation to President Punsalmaagiyn Ochirbat Thursday, the reshaping of the government after the June election would draw people's attention.

Student Group Backs Movement in Inner Mongolia

OW1801030192 Tokyo KYODO in English 0244 GMT 18 Jan 92

[Text] Beijing, Jan. 18 KYODO—A group of Mongolian students will form an organization in Mongolia in late February to support an ethnic movement in the Inner Mongolia Autonomous Region in China, anti-China Mongolian sources said Saturday.

The group plans to cooperate with other ethnic movement groups in Inner Mongolia to survey and make public China's suppression of human rights, the sources said.

They also will seek support from the international community and are scheduled to invite about 100 supporters to the group's inauguration ceremony in Ulaanbaatar, the Mongolian capital, they said.

In late October, the students sat in front of the Chinese Embassy in Ulaanbaatar and burned the Chinese national flag to protest Beijing's suppression of human rights.

After the sit-in, the group sent a letter and the signatures of 30,000 people to Chinese Premier Li Peng, calling on Beijing to stop suppressing pro-democracy and ethnic movements.

North Korea

Daily Criticizes U.S. Remarks on Human Rights

SK1701151192 Pyongyang KCNA in English 1020 GMT 17 Jan 92

["United States Disqualified To Speak About Human Rights"—KCNA headline]

[Text] Pyongyang January 17 (KCNA)—No matter how hard the U.S. authorities try to slander other countries, talking about "violation of human rights" and the like, it does not work and they can never conceal the anti-popular nature of the U.S. society bereft of democracy and people's rights, says NODONG SINMUN today in a by-lined article.

It is an unpardonable act of interfering in other's internal affairs that the United States is speaking ill of our Republic, carping on us over the fictitious "human rights" problem, the article says, adding:

Though the imperialists try to slander us, pretending to be "human rights champions", the violators of human rights are none other than the imperialists themselves.

It is universally known a fact that workers, peasants and other labouring masses in the U.S. society called the "kingdom of freedom" are completely excluded from exercising sovereignty and they can not conduct free socio-political activities.

The U.S. ruling quarters, taking the state power as a political lever for their domination and plunder, are intensifying the suppression of the working masses.

More than one million people are now in prisons of the United States. Not a small number of them are those who struggled in demand of their political rights and the right to existence.

The U.S. imperialists, who have committed political terrorism against the guiltless people and public figures who demand freedom and democracy and violated the elementary democratic freedom and rights of the working people, are disqualified to speak about human rights.

Under the authorities' anti-popular policy and reactionary social system in the United States the political independence of the working masses is harshly violated and even their lives are exposed to constant threat.

A committee of the U.S. Congress recently said in a study report that more than 24,000 people were killed in the United States last year, recording an all-time high.

How dare the United States, where tens of millions of people are deprived of vital human right, speak of human rights and advertize a "society of well-being for all the people" and a "democratic society" where "human rights" are ensured?

The United States is a land of darkness where human rights are most harshly violated.

Withdrawal of U.S. Forces From South Demanded

SK1901083592 Pyongyang KCNA in English 0815 GMT 19 Jan 92

["U.S. Forces Have No Justification To Remain in South Korea"—KCNA headline]

[Text] Pyongyang January 19 (KCNA)—NODONG SINMUN today comes out with a by-lined article titled "U.S. Forces Have No Justifiation To Remain in South Korea".

Noting that the United States is the outside force blocking the peaceful solution to the Korean question and its main obstacle is the U.S. forces occupying South Korea, the article strongly demands the withdrawal of the U.S. forces from South Korea.

The article continues:

The U.S. authorities claim that it is the U.S. policy to implement "its security commitment" to South Korea and keep the U.S. forces in South Korea.

This means an indefinite presence of the U.S. forces in South Korea and shows that the United States has not cast off its old policy of the cold war era.

Today the United States has no excuse to justify its troops' occupation of South Korea.

It claims that the U.S. forces are needed in South Korea as "forces to preserve peace" on the Korean peninsula.

This is a sophistry distorting the stark reality.

The U.S. forces' occupation of South Korea is an undisguised expression of the colonial policy of the U.S. imperialists toward South Korea and a leftover of the cold war era.

The continued presence of the U.S. troops in South Korea only is impermissible today when the pullback of foreign troops from other countries has become a global trend.

The United States advertizes that it will keep its forces in South Korea as long as it wants. This is a preposterous sophism to justify the U.S. forces' presence in South

Korea under the pretext of "request". The U.S. troops are stationed in South Korea as an uninvited guest, not by someone's request.

The majority of South Korean people reject the U.S. forces' presence. The United States should respect the independent efforts of the Korean nation to put an end to the tragedy of the national split and achieve the national reunification by themselves, and for this end, should withdraw its forces from South Korea, the main obstacle to the reunification.

The United States which is directly responsible for the Korean problem should make a due contribution to the reunification of Korea.

The faster the U.S. forces' withdrawal from South Korea the better.

U.S., South Military Exercises 19, 20 Jan Noted

SK2201050792 Pyongyang KCNA in English 0424 GMT 22 Jan 92

[Text] Pyongyang January 22 (KCNA)—The U.S. Pacific Airforce and Navy commands staged joint aerial war games against the North in South Korea on January 19 and 20, according to military sources.

More than 200 fighter planes of various types were involved in the exercises.

The U.S. imperialists in the two days let a U-2 high-altitude strategic reconnaissance plane and RV-1 Army tactical reconnaissance planes repeatedly make flights in succession for intensive aerial espionage.

In another development, the South Korean puppet army incited the war atmosphere by staging an aerial war exercise and firing shells near the Demilitarized Zone on the Military Demarcation Line.

On the 20th, a 90 mm artillery unit of the puppet army fired scores of shells and mechanized units held an attack exercise with the support of tanks, artillery pieces and flying corps.

That day, formations of pursuit planes and armed helicopters of the puppet army brought into the sky above South Korean Kangwon Province made low-altitude and ultra low-altitude flights under our very eyes.

The warplanes mobilized in the aerial exercises and espionage against the northern half of Korea in the skies above South Korea on the 20th alone totaled more than 500.

Japan Urged To Abandon Nuclear Arming Program

SK2201003892 Pyongyang Korean Central Broadcasting Network in Korean 0023 GMT 21 Jan 92

[NODONG SINMUN 21 January commentary: "Reckless Act Creating Nuclear Threat"]

[Text] Japan is continuing to unjustly pressure us with the nuclear inspection issue, which lacks common sense. This kind of attitude was nakedly revealed during Japanese Prime Minister Miyazawa's visit to South Korea.

According to a report, Miyazawa, who recently visited Seoul, babbled about the nuclear inspection issue and stated that there is no change in Japan's position, which is that inspection is an important condition of negotiations for the normalization of diplomatic relations between the DPRK and Japan.

In an interview with the press before his visit, Miyazawa talked about the North's development of nuclear weapons and said that in cooperation with South Korea, the Japanese Government will strongly demand that North Korea accept nuclear inspection at an early date. This is dimming the prospects for peace on the Korean peninsula that had just begun to appear.

As is known, the prospect to resolve the nuclear issue on the Korean peninsula was finally opened after we repeatedly stated that we are not engaged in nuclear development, after South Korea announced the absence of nuclear weapons in its area, after an agreement on the denuclearization on the Korean peninsula was reached, and after it was indirectly announced that the U.S. nuclear weapons in South Korea that had always threatened our people were withdrawn from South Korea. This is a result of our Republic's active efforts to achieve peace and denuclearization. This is a happy event not only for the Korean peninsula but also for peace in Asia and the rest of the world.

Nevertheless, it seems that Japan is dissatisfied with something. Why is it continuing to preposterously slander and abuse us—who are continuing the denuclearization policy and do not intend to possess nuclear weapons—and strengthening the pressure on us to accept an inspection? Here clearly lies an insidious motive and purpose that runs counter to peace and denuclearization.

According to reports, Japan is hoping to become a great military power, and an important element in achieving this is to tacitly arm itself with nuclear weapons. To achieve this, Japan is showing extraordinary enthusiasm to accumulate nuclear materials and is saying that it will be able to secure about 100 tons of plutonium by the beginning of the next century. Experts consider that with this amount of plutonium, more nuclear warheads can be produced than the ones possessed by the nuclear powers. Also, Japan is saying that if it had a mind to do so, it could immediately possess nuclear weapons. Therefore, it is clear at what Japan is aiming in the fulfillment of its ambitious nuclear potential.

The Japanese reactionary ruling class is dreaming of emerging as a ruler of Asia by taking advantage of the crumbling of the confrontational structure between the superpowers. This is regarded as an important condition for Japan to become a great military power and nuclear power. This kind of plan is being opposed not only by the Japanese but also by the people of Asia and the rest of the world.

In this kind of situation, Japan is trying to justify the promotion of its reckless ambition. In other words, the Japanese Government authorities are recklessly laying the blame on us, who have nothing to do with the development of nuclear weapons. By doing so, it is babbling about the nuclear threat to step up preparations to arm itself with nuclear weapons, which they have been promoting by stealth.

From what the Japanese Government authorities are saying about our nonexistent nuclear development, we can see their hidden intention of directing the spearhead of nuclear weapons—which they are planning to possess—at the Korean people.

Japan's preparations to arm itself with nuclear weapons is the source of nuclear threat on the Korean peninsula, and the Korean people are the first who will suffer. Also, people in Asia and the rest of the world cannot be an exception to this threat.

To prevent Japan's nuclear threat, all the Korean people of the North, South, and overseas must unite their strength in a joint effort. It is also necessary for the people of Asia and the rest of the world to make efforts to eliminate Japan's nuclear threat.

The South Korean authority, turning blind eyes to the nuclear threat from Japan, is conspiring with Japan to put inspection pressure on us. This must be denounced as an act placing our nation under a greater nuclear threat.

Japan must give up its nuclear arming program, which goes against the demand of the times, and stop creating a nuclear threat to our people.

Daily Brands No Tae-u, Miyazawa Talks 'Criminal'

SK2201053792 Pyongyang KCNA in English
0439 GMT 22 Jan 92

["Despicable Traitor and Cunning Aggressor"—KCNA headline]

[Text] Pyongyang January 22 (KCNA)—A news analyst of NODONG SINMUN today brands the recent criminal talks between No Tae-u and the Japanese prime minister in Seoul as a confab between a despicable traitor and a cunning aggressor. No good results are in store for those engaged in aggression and treachery, warns the news analyst.

He says:

At the confab No Tae-u tried to cover up the Japanese imperialists' crimes in their aggression on Korea, saying "a dark shadow of the times" should no longer be "a knotty problem" between South Korea and Japan. And the Japanese prime minister tried to gloss over the Japanese imperialists' crimes with the mere words "apology and repentance."

The Japanese Government strongly denied the demand of South Korean people for apology and compensation with the allegation that the questions of compensation including the question of "comfort girls for the army" had been "completely solved by law" through the South Korea-Japan "treaty" signed in 1965.

As far as this "treaty" is concerned, it was a product of the backstage manipulation of the U.S. imperialists and the reactionary tieup between the South Korean puppets and the Japanese reactionaries. Its signing itself was totally unjustifiable.

Hence, we branded the "treaty" as an offspring of the tieup of aggression and treachery.

The attitudes of the North and the South toward Japan show that the DPRK Government is an independent regime and the South Korean "regime" is a treacherous one. They also reveal the aggressive and crafty nature of the Japanese reactionaries.

The same can be said of the chorus of No Tae-u and Miyazawa over the nuclear problem.

While keeping mum about the actual nuclear threat of Japan, No took issue with the fictitious "nuclear development of the North" and told the Japanese prime minister he "opposes an early normalization of diplomatic relations between the DPRK and Japan." By colluding with outside forces and antagonizing fellow countrymen No showed once again his sycophant treacherous nature.

Miyazawa agreed to No's jargon, saying there is no change in Japan's stand of regarding the nuclear inspection problem as an important requisite to negotiations for the normalization of DPRK- Japan diplomatic relations. It is clear to everybody that the Japanese Government's haggling over the nuclear inspection which has nothing to do with the normalization of diplomatic relations between the DPRK and Japan is aimed at hastening its nuclear arming on that pretext and leveling nuclear weapons at the Korean people. Their chorus about "North's nuclear development" will only result in hastening Japan's nuclear arming and exposing the Korean people to Japan's nuclear threat.

Japan must opt unconditionally to liquidate her past crimes of aggression on Korea, as demanded by our people in the North and the South, and stop the moves for nuclear arming she is now stepping up on the pretext of our fictitious "nuclear development."

If the South Korean authorities have an iota of national conscience, they must reexamine the treacherous South Korea-Japan "treaty" of the past, take a joint step with us in making Japan liquidate her past history of aggression on Korea in a fair way and jointly fight to check Japan's nuclear arming which now poses an actual threat to our nation.

Peace Movement Needs To Withstand Imperialism

SK1501112692 Pyongyang KCNA in English 1015 GMT 15 Jan 92

["NODONG SINMUN Calls for Intensified Peace Movement"—KCNA headline]

[Text] Pyongyang January 15 (KCNA)—At a time when the human cause of peace has encountered a grave challenge owing to the imperialists' moves to gratify their dominationist ambition, the peaceloving people should turn out in the struggle against the imperialists' aggressive and belligerent moves, says NODONG SINMUN in a by-lined article today.

Only through an intensified peace movement, mankind can realise both the desire for peace and the desire for the building of an independent, new society, the article says, and continues:

The world peaceloving forces, first of all, are faced with tasks to put an end to the nuclear arms race, realise disarmament, force aggression troops and bases out of other countries and establish nuclear-free, peace zones in different parts of the world, thus preventing a war and safeguarding peace.

It is important in developing the peace movement to maintain the principled stand towards imperialism.

When one takes a step backward, the imperialists demand him to retreat two, nay, ten steps. Today when the imperialists are trying to appease the people and disarm them ideologically, resorting to the strategy of peaceful transition, it is necessary still further to activate the anti-imperialist struggle with heightened vigilance against them.

To strengthen the unity of the peaceloving forces is a guarantee for victory in the anti-war struggle for peace.

All the peaceloving people of the world, closely united with each other, should turn out in the struggle to safeguard world peace.

Daily Sets Conditions for South on N-S Agreement

SK1801104492 Pyongyang KCNA in English 1009 GMT 18 Jan 92

["Due Attention Must Be Paid to Solution of Political and Military Problems"—KCNA headline]

[Text] Pyongyang January 18 (KCNA)—NODONG SINMUN stresses in a by-lined article today that the South Korean authorities must take the stand of solving the political and military problems before anything else if they intend to implement honestly the "Agreement on Reconciliation, Nonaggression, Cooperation and Exchange Between the North and the South" in conformity with the aspirations of the nation and expectation of the world people.

At present, when the implementation of the North-South agreement stands out as a practical matter, what attitude one takes towards the solution of the political and military problems is a touchstone showing whether one intends to sincerely implement the agreement or not, and whether one wants peace and reunification or not, the article says, and goes on:

The political and military problems constitute the starting point in making a breakthrough in the solution of the country's reunification question.

The biggest internal obstacle to solving the reunification question of our country is mutual distrust between the North and the South and its source lies in the political and military confrontation.

The political and military confrontation that has grown worse with the prolongation of national division by outside forces has added to distrust between the North and the South and laid grave obstacles in the way of the struggle for national reconciliation, unity and reunification.

Recently the North-South agreement was adopted and the two parts of Korea agreed upon denuclearization of the Korean peninsula and a halt to the "Team Spirit" joint military exercises for this year was announced. Thus, a phase for the relaxation of the situation can be said to have come about to some extent, but the situation on the Korean peninsula is still tense.

Under such circumstances, without settling the peace issue and the military problem, it is impossible to remove the acute confrontation and deep-rooted distrust between the North and the South or save the fellow countrymen from the scourge of war or achieve a peaceful reunification of the country.

Only when the military confrontation between the North and the South is ended and peace settles on the Korean peninsula can all the matters related to the reunification of the country be satisfactorily solved.

That is why we consistently attach great importance to the solution of political and military problems and the peace issue.

Such questions of exchange of visits and materials and humanitarian issues as the South Korean authorities claim to solve can also be successfully solved only after removing the political and military confrontation, the source of distrust between the two sides.

Insisting on exchange alone without removing the political and military confrontation is, in fact, as good as opposing exchange itself.

If they are interested in promoting national reconciliation and unity and accomplishing the national cause of peace and reunification, the South Korean authorities must stop insisting on exchange alone and attach importance to the political and military problems such as reconciliation and nonaggression and set about faithfully implementing all the provisions of the North-South agreement.

All the fellow countrymen in the North and South and abroad will follow the attitude of the South Korean authorities.

Sincere Implementation of N-S Agreement Sought

SK2201103492 Pyongyang Korean Central Broadcasting Network in Korean 0012 GMT 21 Jan 92

[NODONG SINMUN 21 January special article: "To Call for Exchange First Is To Avoid Implementing the Agreement"]

[Text] Upholding the great leader Comrade Kim Il-song's proposal for national reunification as set forth in his historic New Year address, all the fellow countrymen in the North and South and abroad are vigorously quickening their pace in the anti-U.S. struggle for an independent reunification with firm conviction.

They are renewing their firm resolve to ensure peace in the country this year without fail. They are making substantial headway in hastening a peaceful reunification by actively taking advantage of the current situation, which is developing in favor of reunification following the adoption of the North-South agreement on reconciliation, nonaggression, and exchange and cooperation.

In order to hasten national reunification by sincerely implementing the North-South agreement in conformity with the desire of the fellow countrymen, we once again put forward reasonable and practical proposals for national reunification at the beginning of the new year and have been making every effort possible for their realization.

There is no question that the North-South agreement will prove its practical worth in ensuring lasting peace in the country and in hastening national reunification if the South Korean authorities affirmatively respond to our sincere effort for reunification.

In spite of this, the South Korean authorities are now behaving in a way that runs counter to the desire and hope of the fellow countrymen. Even after committing themselves to solving the question of national peace and reunification on the strength of joint effort between the North and South using the agreement as an instrument and even after agreeing to denuclearize the Korean peninsula, the South Korean authorities do not hesitate to say and do things that are contradictory to their promises.

Traitor No Tae-u's comments in his recent New Year news conference are a case in point. As is widely known, in his New Year news conference, in which he was supposed to outline the tenor of the state affairs to be administered during the current year, No Tae-u said nothing about a reunification so hoped for by the people. Instead, he referred to the North-South agreement as something aimed at opening an age of coexistence and co-prosperity between the South and North.

While babbling about a satisfactory agreement, he turned his back on its central question of nonaggression and reconciliation and instead reiterated such things as exchange or reunion of separated families, to which he has been paying lip service.

The North-South agreement for coexistence between the North and South is not for exchange only. It is, from start to finish, a common national peace program and reunification program designed to ensure peace in the country and realize an independent and peaceful reunification of the country on the strength of our nation and on the basis of the three principles for national reunification—independence, peaceful reunification, and great national unity.

The puppet traitor's description of the significance of the North-South agreement as something for coexistence and co-prosperity and his lip service to the need to implement the agreement can only be construed as a ruse to go back on the basic spirit of the agreement and avoid implementing it.

The great leader Comrade Kim Il-song has taught: To make secondary issues appear to be more important than the primary issues while avoiding discussing political and military issues designed to provide basic preconditions for reunification is nothing but a splittist maneuver aimed at misleading public opinion at home and abroad and at borrowing time to stand in the way of reunification. This must, therefore, be denounced.

Now that the North and South have reached an agreement on nonaggression, the most important issue that must be resolved first in realizing national reunification is to take practical steps designed to ensure peace in the nation and pave the way for a peaceful reunification of the country.

What is important in this regard is for the North and South to realize disarmament and ease tensions in conformity with the spirit of the North-South agreement and make joint effort to turn the Korean peninsula into a nuclear-free zone.

In fact, under the prevailing realities in our country where the vast armed forces of the North and South stand in sharp confrontation at the Military Demarcation Line and the danger of war constantly hangs over the country due to the aggravating tension between the North and South, it is impossible to talk about a satisfactory implementation of the North-South agreement apart from disarmament and detente.

It is because of their recognition of this fact that the South Korean authorities have agreed to adopt the North-South agreement centered on reconciliation and nonaggression. Thus, if the South Korean authorities are really willing to implement the North-South agreement, they should have begun, as a matter of course, talking about ways to keep their commitment to nonaggression, such as achieving disarmament and detente between the North and South, before talking about exchange.

Moreover, since they have made a commitment to the settlement of the reunification question on the strength of joint efforts through reconciliation and unity with us, the South Korean authorities should also have mentioned the need to bring an end to the occupation of South Korea by U.S. forces, the primary obstacle to the independent and peaceful reunification, and to abolish the National Security Law, the evil fascist antireunification law detrimental to national reconciliation and unity.

However, he shelved all such issues of practical significance and instead called for exchange with us. Everyone sees that this is unreasonable. It is the same as saying that they do not want peace or reunification, nor do they even want exchanges.

It is transparent what the No Tae-u ring seeks to achieve behind its call for exchange before everything else. Its intention is to retain the division by idling away the time through commerce and trade between the North and South as if they are two different countries; to have the National Security Planning agents spy on the North disguised as businessmen; and to realize their wild ambitions of absorbing and merging our country by letting in the wind of rotten liberalization to subvert and divide our society from within.

It is no accident that traitor No Tae-u babbled about strengthening northern policy or about the movements on the Korean peninsula caused by the waves of global changes in his New Year press conference.

Nevertheless, attempting to undermine our chuche-oriented socialism in which the leader, the party, and the masses are rock-firm united with each other as one is as foolish a pipe dream as attempting to break a rock with rotten eggs.

Under no circumstances would our people tolerate any attempt of the splittist forces within and without to penetrate and hurt our socialism, the most superior in the world.

The will of our party and people to hasten an independent and peaceful reunification of the country by sincerely implementing the North-South agreement in the interest of the nation and in conformity with the demand of the people is unbreakable.

The No Tae-u ring should look squarely at the trends of the times and join the enormous stream of the nation moving toward reunification before the 1990's are over after freeing itself from the anachronistic dream of reunifying the country by absorbing and merging us. It should show enthusiasm about the settlement of the political and military issues, including reconciliation and nonaggression, rather than calling only for exchange regarding the implementation of the North-South agreement.

Contributing to National Reunification Urged

SK1801002892 Pyongyang KCNA in English 1007 GMT 17 Jan 92

[Text] Pyongyang January 17 (KCNA)—NODONG SINMUN in a by-lined article today calls upon all the Koreans in the North and South and abroad to make tangible contributions to the cause of national reunification as members of the Korean nation.

The article quotes the great leader Comrade Kim Il-song as saying in his New Year address:

"Broad sections of the fellow countrymen in the North, in the South and abroad must, as members of the Korean nation, make tangible contributions to the cause of national reunification, those who have strength by giving strength, those who have knowledge by devoting knowledge and those who have money by donating money, according to their respective capabilities and conditions."

The article says:

All the political parties, public organizations and broad sections of people in the North and South and abroad must support and encourage each other and take joint steps in the struggle to reunify the country according to their respective capabilities and conditions and make tangible contributions to the cause of national reunification, the cherished desire of the nation, by their strength, knowledge and money.

A matter of prime importance here is to check and frustrate the home and foreign separatist forces' moves for a permanent national division and new war.

All the Koreans in the North and South and abroad must vigorously wage various forms of joint struggle to thwart and frustrate in every step such moves for a permanent division and a new war of the separatist forces at home and abroad which are committed under the cloak of "peace" and "reunification" and terminate the U.S. forces' occupation of South Korea, the main stumbling block lying in the way of national reunification.

If the Koreans in the North and South and abroad are to make tangible contributions to the cause of national reunification, they should achieve an organizational unity of all the political parties, public organizations and bodies and people of all social standings.

The National Alliance for the Country's Reunification (NACR) which came into being according to a decision of the " '90 Pan-National Rally" is a patriotic organization of reunification movement of the Koreans in the North and South and abroad whose mission it is to achieve the national reunification on the basis of the three principles—independence, peaceful reunification and great national unity.

All the Koreans in the North and South and abroad who have the patriotic will for reunification—workers, peasants, students, intellectuals, religionists and conscientious national capitalists—can form a strong driving force of reunification and successfully accomplish the cause of national reunification when they are rallied behind the NACR and cooperate and unite with each other, bringing their peculiar capabilities into full play.

If the Koreans in the North and South and abroad are to make tangible contributions to the cause of national reunification, they should frequently make contacts and travels and actively develop dialogue.

In realizing free travel, contact and wider-range dialogue it is important to remove all the political and legal obstacles to them in South Korea.

The South Korean students and other people must vigorously struggle for the immediate abolition of the "National Security Law," an anti-communist fascist law, for the release of all the detained patriots who fell victim to the evil law and for reunification through alliance with communism and the North.

Today nothing is more honorable and worthwhile than devoting ourselves to the cause of national reunification as members of the Korean nation, the article says, adding:

Those who have contributed to the sacred cause of national reunification by their strength, knowledge and money will be loved and respected by the nation and highly appraised in the name of a reunified motherland.

No Tae-u's 'Servants' Threaten Hyundai Chairman

SK1501072592 Pyongyang KCNA in English
0441 GMT 15 Jan 92

["Offensive Smell from 'Chongwadae'"—KCNA headline]

[Text] Pyongyang January 15 (KCNA)—No Tae-u has made servants of "Chongwadae" and the "Democratic Liberal Party" inwardly threaten Chong Chu-yong, former hononary chairman of the Hyundai Business Group of South Korea, after Chong confessed that he had offered a colossal amount of political funds to No, says NODONG SINMUN today.

Chong Chu-yong recently told a press conference that he had supplied political funds to the successive puppet rulers twice a year under their pressure and, in particular, he had thrust into No's pocket five billion to six billion won each time every year and ten billion won two years ago.

This notwithstanding, No feigned innocence, saying "that's not true". This was a threat to "retaliate upon" businessmen and opposition politicians who expose or criminalize his corruption. It is nothing but a fascist act of the dictator at the helm.

The analyst says:

A co-chairman of the Democratic Party recently said No denied that he had received a colossal amount of political funds though the donator himself confessed to it and 500 billion to 600 billion won have flown into "Chongwadae" every year for political funds, 2,000 billion to 3,000 billion won in the year of "elections".

That No has regularly received a ridiculous amount of political funds from businesses is not a social gossip but is what the donator himself said.

It is an open secret that in the "Suso housing lot scandal" No received 30 billion won from the Han Bo Business Group as political funds.

Nevertheless, No Tae-u, like a thief calling "stop thief!" is letting his vassals threaten to "detain and investigate into" all the politicians who demanded political funds of businesses and the bussinessmen who offered them political funds.

However, nothing can deodorize the rancidity emitted by No who took office and remains in power by swindles.

NODONG SINMUN on Labor Disputes in South

SK2001112192 Pyongyang KCNA in English
0959 GMT 20 Jan 92

["Brutal Repressive Order To Trample Upon Vital Rights"—KCNA headline]

[Text] Pyongyang January 20 (KCNA)—The South Korean authorities some time ago blared that "guiding check" and "guiding supervision" would be made more than once a week at enterprises where a struggle of workers was foreseen, legal sanctions be taken in case labour disputes broke out and strikes or solidarity strikes for other labour organisations would be strictly "dealt with by law." And they are scheming to crack down on the struggle of workers, claiming that "labour-management stability" should be ensured "if economy is to be rejuvenated". Commenting on this, NODONG SINMUN today denounces this as a heinous challenge to the workers demanding the elementary right of existence and democracy and another fascist arbitrariness of the military gangster group which does not know but bayonet-brandishing.

The news analyst says:

Now the South Korean workers are paid negligible wages, though they are forced to work many hours under the worst work conditions.

It is inevitable for the workers under such conditions to turn out in the struggle for existence. The moves of the No Tae-u ruling group to suppress and stifle the struggle of the workers for existence under the absurd pretext of "labour-management stability" for the "rejuvenation of economy" cannot be justified with anything.

Upset by the mounting struggle of the South Korean workers in different parts including the workers of Hyundai Motor Company trade union, the No Tae-u ruling group is trying to prevent the struggle from developing further by crushing it with threat and suppression and intending to save the unstable political situation with "elections" ahead.

The paper warns that the fascist clique's brutal suppression of the labour movement will add fuel to the struggle of workers.

Daily Criticizes South's DLP Chairman

SK1701051292 Pyongyang KCNA in English 0418 GMT 17 Jan 92

["Disgusting Deed of Political Prostitute"—KCNA headline]

[Text] Pyongyang January 17 (KCNA)—Kim Yong-sam, "chairman of the Democratic Liberal Party" [DLP] of South Korea, at the "New Year's press conference" on January 15 patronized the unconstitutional and illegal acts of No Tae-u such as the "postponement of the elections of the chiefs of local autonomous bodies" and expressed his willingness to do his share in consolidating the foundations of the present dictatorial "regime", saying the "DLP" should win "a stable majority" in the "elections of the National Assembly".

He made no mention of the questions of peace and reunification of the country and other outstanding matters which the fellow countrymen are concerned about, and of the fact that "Chongwadae" [presidential residence] and the "DLP" had received political funds from businessmen and other issues which had created a public stir in South Korea.

Branding him who acted the pleader for the dictator as a political prostitute, a NODONG SINMUN analyst today says:

Only recently Kim Yong-sam threatened that he would defect from the "DLP" with his faction unless No Tae-u nominated him as the "presidential candidate" before the "general elections".

But now he blared that he would play "first fiddle" in achieving the "unity of the party" and doing something in the "general elections". It is nonsense.

If the "DLP" is to get "a stable majority in the general elections", unprecedented frauds backed by power and money are necessary. Though he loudly cried that he would have the field to himself in the "elections", he has nothing to get but being isolated and rejected by the people still further, held responsible for the high-handed acts of the "DLP".

No Tae-u said that the "elections of the chiefs of local autonomous bodies" were called off with a view to "saving the economy". Kim Yong-sam is defending him who has broken his promise to the people and has failed to observe the "law" made by his clan. Such a fellow is liable to be given sound thrashing by the opposition parties and people.

He is so pitiable as to expect that he would grab the "presidential" chair, if he licked No's shoes.

No matter how zealously the political prostitute may curry favor with the dictator in the hope of taking power, he will meet only denunciation of the people, the analyst warns.

Daily on No Tae-u's Election Campaign Comments

SK1901092792 Pyongyang KCNA in English 0827 GMT 19 Jan 92

["Plot for Rigging Election by Violence Under Fire"—KCNA headline]

[Text] Pyongyang January 19 (KCNA)—The traitor No Tae-u gave "instructions" at "Chongwadae" [presidential palace] on January 15 in regard with "elections" to "find out and punish those engaging in illegal election campaign" with all the administration power and supervisory bodies totally mobilized and strictly cope with" mass demonstrations concerning the "elections".

This is another repressive order that fully revealed the No group's intention to further intensify the suppression of the South Korean patriotic and democratic forces with the approach of "parliamentary elections" and "presidential elections", a NODONG SINMUN analyst today says, and continues:

That day the traitor No cried for "fair elections", "defence of democracy" and "stability of lives" as if he is interested in the democratic development of the South Korean society. But it is nothing but a trick to fool the public opinion.

No Tae-u has mentioned about "fair elections" so many times. Each time "elections" took place in South Korea, however, he turned them into most violent elections, fraudulent elections.

While talking about "fair elections," he only intends to intensify the suppression under this pretext, get more seats in the "National Assembly" for his "Democratic Liberal Party" clan and thus consolidate the foundations of his power.

The No group that has been rejected by the people is now attempting to bridge over the crisis of its dictatorship with violence and, at the same time, to rig "returns" for its servants in a fascist rowdyism after stifling the democratic forces so as to prolong the military fascist rule.

Such moves, however, cannot go down with anyone.

Role of Leader's Revolutionary Ideas Discussed

SK2101154292 Pyongyang Korean Central Broadcasting Network in Korean 0200 GMT 20 Jan 92

[Unattributed talk: "Our Party's Ideas and Theories Are Creative and Have Deepened and Developed the Great Leader's Revolutionary Ideas"]

[Text] Our party's ideas and theories are great ideas and theories that inherited the respected and beloved leader's revolutionary ideas. They are simultaneously creative ideas and theories that deepened and developed the leader's revolutionary ideas into creative ideas and theories.

The dear leader Comrade Kim Chong-il has noted: The ideas and cause of the leader, who explored the revolutionary road for the first time, are defended and inherited by a successor boundlessly faithful to the leader.

The working class's revolutionary ideas are created, developed, and enriched by the leader and creatively deepened and developed generation after generation by a successor who inherits and consummates the leader's cause as the revolution advances and as generations change.

The historic course of developing the working class' revolutionary ideas is a continuous course of inheritance and reforms. The working class' revolutionary ideas have the nature of inheritance and specificity when compared to the ideas that came before them. This is inevitable.

A new practical demand always emerges as the era advances and as the revolutionary struggle develops, and the working class' revolutionary ideas must fulfill such a demand without fail. Therefore, the course of inheriting the leader's revolutionary ideas by the successor to the leader is that of deepening and developing the leader's ideas and theories in step with the developing times and giving specific answers to new problems raised in the practical revolution.

The dear leader Comrade Kim Chong-il deepens and develops the great leader Comrade Kim Il-song's ideas and theories in step with the demand of the developing revolution at a new stage and gives scientific answers to problems that are raised as the revolution advances.

The creativity of the dear leader Comrade Kim Chong-il's ideas and theories is shown first in the fact that he deepens and further develops the great leader Comrade Kim Il-song's ideas and theories in step with the demand of the developing revolution at a new stage. Originally, revolutionary ideas and theories cannot emerge in their complete form in a specific era. The revolutionary ideas and theories come into being based on the conditions of the era and history and in the course of generalizing experiences from the revolutionary struggle. Also, through a protracted struggle, their truth is verified, and they are enriched, developed, and consummated into a unitary ideological and theoretical system. Meanwhile, the revolutionary ideas which are consummated are endlessly developed, enriched, and further consummated as the revolution deepens and develops.

The dear leader Comrade Kim Chong-il inherits the great leader Comrade Kim Il-song's ideas and theories as they are, further enriches them, develops them in step with the demand of the changing practical revolution, and systematizes them into a unified idea and theory.

The creativity of our party's ideas and theories is also shown in the fact that they give specific answers to problems raised by the new practical revolution. The working class' revolutionary struggle is endlessly deepened and developed, and new theoretical and practical problems that have not been raised in previous stages of the development of the revolution are successively presented in this course. In the historic course of giving answers to those new theoretical and practical problems, the working class' revolutionary ideas are enriched and endlessly developed by new ideological and theoretical assets. As a result, specific ideas and theories that give answers to the new demand of the practical revolution are elucidated by the successor to the leader who inherits the working class' revolutionary cause, and the working class' revolutionary ideas are developed in one era after another as a matter of course.

Our party's ideas and theories contain those ideas and theories that give specific answers to problems raised at a new stage of the era and the developing revolution when the popular masses' position and role in history are enhanced beyond comparison and when the issue of inheriting and consummating the chuche-oriented revolutionary cause is placed on the agenda of history.

Our party's ideas and theories also contain principles that, thanks to the chuche idea's great magnetic force, give specific answers to new ideological and theoretical problems raised in the development of the working class' revolutionary ideas and the historic transitional period in the people's ideological and spiritual lives.

Our party's ideas and theories, which have given specific answers raised by a new reality in the development of the era and the revolutionary ideas, include not only principles on a view of the world but also theories and ways for revolution and construction.

Our party's ideas and theories contain specific ideas and theories. This is clearly shown in the fact that the great chuche idea is enriched by the new principles in a view of the world and theories. Based upon the scientific analysis of the inevitable development of mankind's philosophy, the dear leader Comrade Kim Chong-il newly defined a fundamental problem of philosophy as a problem of man's position and role in the world, stated man's intrinsic nature as the occupier and reformer of the world, and specificly elaborated on and systematized a man-centered view of and position on the world. Also, the dear leader Comrade Kim Chong-il formulates a chuche-oriented philosophical view of the world, a chuche-oriented view of society and history, a chuche-oriented revolutionary view, a chuche-oriented view of life, and a revolutionary view of the leader in an overall manner and developed and consummated a chuche-oriented revolutionary view of the world into a unified ideological and theoretical system.

Our party's ideas and theories contain specific ideas and theories. This is proven by the fact that they elucidate new ideas and theories of revolution and construction. To become revolutionary ideas with specific content, the working class' revolutionary ideas must contain not only basic ideas on the view of the world but also specific theories and ways for revolution and construction that give answers to problems raised by the new practical revolution.

Our party's ideas and theories elucidate a theory on inevitable stages of the revolutionary struggle for the popular masses' independence; a theory on cultivating, developing, and consummating the working class' revolutionary cause; a theory on modeling the entire party and society after the chuche idea; a theory on inheriting the leader's cause; a theory on resolving the issue of the successor to the leader; a theory on the party's unitary ideological system; and other specific theories and ways for revolution and construction and give full answers to problems raised in our era's new practical revolution.

In this way, the dear leader Comrade Kim Chong-il further deepens, develops, and enriches the ideas, theories, and ways elucidated by the great leader Comrade Kim Il-song's revolutionary ideas and give specific answers to problems raised by the new practical revolution. In further deepening and developing the great leader Comrade Kim Il-song's ideas and theories, the dear leader Comrade Kim Chong-il consistently adheres to the principle of thoroughly inheriting the revolutionary essence and fundamental principles of those ideas and theories. Therefore, our party's ideas and theories are a genuine example of deepening and developing the revolutionary ideas of the leader who cultivated the revolutionary road for the first time.

Kim Il-song Exchanges Cards With Foreign Leaders

SK2101115092 Pyongyang KCNA in English 1027 GMT 21 Jan 92

[Text] Pyongyang January 21 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, exchanged new year's cards with foreign party and state leaders on the occasion of the new year 1992.

He exchanged New Year's cards with Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba; Anerood Jugnauth, prime minister of Mauritius; Noor Hassanali, president of the Republic of Trinidad and Tobago; Mario Soares, president of the Portuguese Republic; K.P. Silva, general secretary of the Central Committee of the Sri Lanka Communist Party; Jorge Ibanez, first secretary of the Central Committee of the Bolivian Communist Party; Joao Amazonas, chairman of the Central Committee of the Brazilian Communist Party; and Georges Marchais, general secretary of the French Communist Party.

Kim Chong-il Replies to Congratulatory Messages

SK1901063792 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 15 Jan 92

[Text] The dear leader Comrade Kim Chong-il, member of the Presidium of the Workers Party of Korea [WPK] Central Committee Political Bureau, secretary of the party Central Committee, and supreme commander of the Korean People's Army [KPA] sent reply messages to party and state leaders of various countries who sent him congratulatory messages on his election as supreme commander of the KPA.

The dear leader Comrade Kim Chong-il sent reply messages to Prince Norodom Sihanouk, Cambodia's state head and chairman of the Supreme National Council; Mohamed Abdelaziz, president of Western Saharah, the Saharan Democratic Arab Republic and general secretary of the Polisario Front; Lieutenant General 'Umar Hasan Ahmad al-Bashir, chairman of the National Salvation Revolution Command Council, prime minister of the Republic of Sudan, and supreme commander of the Sudan People's Forces; Hafiz al-Asad, president of the Syrian Arab Republic; Muhammad Husni Mubarak, president of the Arab Republic of Egypt; Blaise Compaore, president, head of state, and supreme commander of the Armed Forces of Burkina Faso; and Colonel General Yevgeniy Ivanovich Shaposhnikov, supreme commander of the Armed Forces of the Commonwealth of Independent States.

The dear leader Comrade Kim Chong-il also sent reply messages to Budragchaagiyn Bash-Yondon, chairman of the Central Committee of the Mongolian People's Revolutionary Party; Rashed Khan Menon, secretary general of the Central Committee of the Bangladesh Workers Party; H.S. Surjeet, secretary general of the Central Committee of the Communist Party of India-Marxist; Naboho Kanidoua, secretary general of the Central Committee of the Burkina Faso Organization for People's Democracy-Labor Movement; Daniel Ortega Saavedra, secretary general of the Nicaraguan Sandinist National Liberation Front; Buillermo Garcia Ponce, secretary general of the Venezuelian Party of Influence for the Advancement Along the New Path; Herving Chung, chairman of the Caribbean National Movement; Jose Francisco Aguilar Bulgarelli, secretary general of the Coasta Rican Organized People's Party of Influence;

Rolando Brena Pantoja, chairman of the National Executive Committee of the Peruvian Union of the Revolutionary Left; Alberto Moreno, secretary general of the Central Committee of the Peruvian Communist Party-Red Fatherland; Ilie Verdet, chairman of the Guidance Committee of the Romanian Socialist Workers Party; Major General Victor Voichita of the reserve, chairman of the Romanian New Social Party; Hysni Miloshi, chairman of the Central Organization Committee of the Albanian Communist Party; Branko Kitanovic, general secretary of the New Yugoslavia Communist Movement; and Preben Moller Hansen, chairman of the Denmark Common Cause Workers' Party.

In his reply messages, the dear leader Comrade Kim Chong-il expressed gratitude for the warm greetings on his election as supreme commander of the KPA. He also expressed the firm belief that the friendly and cooperative relations between our country and these countries and the WPK and these parties will be further strengthened and developed and hoped for great results in the works of the party and state leaders of various countries.

Kim Chong-il Sends Wreath for Assembly Deputy

SK2101115692 Pyongyang KCNA in English
1031 GMT 21 Jan 92

[Text] Pyongyang January 21 (KCNA)—The dear leader Comrade Kim Chong-il today sent a wreath to the bier of late Kim Chi-hang, chief engineer of the Yongyang City Designing Office who was deputy to the Supreme People's Assembly of the DPRK, labour hero and people's designer, with deep condolences over his death.

'Enormous Achievements' for 1991 Socialist Economy

SK2101001592 Pyongyang KCNA in English
1459 GMT 20 Jan 92

[Text] Pyongyang January 20 (KCNA)—The Korean people made enormous achievements in socialist economy last year.

The great leader Comrade Kim Il-song in his New Year address said:

"Last year our people made a devoted struggle with a strong conviction and will that 'when the party is determined, we can do anything!', demonstrating their boundless loyalty to the party and the revolution and rendered distinguished services in the building of socialism."

The Musan mining complex completed with success a project for increasing its capacity and overfulfilled its yearly plan for the production of iron headings in response to the appeal of the Workers' Party of Korea to lift the production capacity of the major domains of the national economy and step up modernisation.

The workers of the Hungnam fertilizer complex carried out in three months a project for introducing large and modernized equipment which is tantamount to the construction of a big factory, into the complex, thus laying a foundation for remarkably augumenting the output of chemical fertilizers.

The Yongsong General Machine Bureau, the Taean heavy machine complex and many other industrial establishments produced nearly 10,000 units of equipment in a short time with their own efforts and technology, which included a 4,000 hp [horsepower] compressor, an ultra-large ammonia compounding tank, a 120,000 cubic metre turbo circulator, a 16,000 kva [kilovolt-ampere] transformer and sent them to the project for introducing large and modernized equipment into the Hungnam fertilizer complex.

The February 8 vinalon complex kept the production of vinalon on a high level while carrying out the first-stage construction of the oxygen plant shop.

Capacity expansion was completed at the Yongchon Mining Machine Factory, the Pyongbuk and Munpyong Smelteries,the Taebong Packing Material Factory and other industrial establishments, and Smeltery No. 727, the Taebong and Changnim mines, the Pyongyang Program Centre, the Youth Paper Mill and other new industrial establishments were built and commissioned.

A new railway line was laid in the Tongnim-Tongchon section, the electrification of the Paekam-Yugok youth line was completed and the material and technological foundation of railway transport was strengthened.

The Kim Chong-tae electric locomotive complex manufactured a new-type 7,000 hp 8-axle electric locomotives and 100-ton heavy wagons and carried out its yearly plan for the production of electric locomotives by 107.3 percent.

The yearly targets were hit ahead of schedule at the Changjagang Power Station, the Nipsok and Hwadae Coal Mines, the Pyongyang Metal Building-Material Factory, the West Sea Marine Transport Station, the West Sea Ship Repair Plant, the South Hwanghae Provincial Administration of Fisheries, the Pyongsong Motor Accessaries Factory and other factories and enterprises in different domains of the national economy.

The Komdok mining complex excavated twice as much nonferrous metal ores as in the previous year.

The nature-remaking work for markedly increasing the fertility of arable land was carried out in the agricuttural domain with success last year to bring about good results in crop production.

Many cooperative farms in Mundok and Pyongwon Counties, South Pyongan Province, and in Pyongsong City gathered 9 tons of rice and 10 tons of maize per hectare by doing farming on a scientific and technological basis.

In Pyongyag the Samsok District Cooperative Farm gathered 10 tons of rice and 10 tons 300 kilograms of maize from each hectare and the Mangyongdae Cooperative Farm 5 tons 830 kilograms of rice and 10 tons 983 kilograms of maize.

Eight, 9 and 10 tons of maize per hectare at maximum were gathered on many cooperative farms in the northern highland of Chagang and North Hamgyong Provinces and eastern coastal areas of Kangwon Province.

Scientists and technicians solved scientific and technological problems arising in the study and development of new electronic materials, electronic elements, numerical control machine tools, automation devices and robots, thus greatly contributing to the modernisation of the national economy.

Increasing Railway Transport Development Stressed

SK2001035792 Pyongyang Korean Central Broadcasting Network in Korean 0010 GMT 17 Jan 92

[NODONG SINMUN 17 January editorial: "Let Us Continuously Put Great Efforts Into Developing Railway Transport"]

[Text] The railroad is a key to the national economy and an artery of the nation. The whole party, nation, and people vigorously rise up to effect a new upsurge on all fronts of socialist construction from the beginning of the new year, upholding the great leader Comrade Kim Il-song's New Year address.

Functionaries and working people in the railway transport domain are assigned the important task of effecting a turning point in transport work, by continuously putting great effort into developing railway transport as required by the party.

The great leader Comrade Kim Il-song has taught: The most important and urgent tasks arising in socialist economic construction are to increase the production of electricity and coal and to develop railway transport.

As the great leader Comrade Kim Il-song has taught, transport precisely means production and construction. Only when the issue of transport is resolved can socialist construction as a whole be vigorously accelerated. Railway transport is the most important task in our country's transportation. Only when the railroad transports facilities, raw materials, and equipment at a proper time can production be normalized at a high level. Only then can construction be positively accelerated.

We are assigned the enormous task to build the socialist economy this year. We should further increase the production of electricity and coal and accelerate construction of power stations and mines. In addition, we should effect a new turning point in the areas of agriculture and light industry. We should construct many modern dwellings in cities and rural villages, including Pyongyang city.

To smoothly implement these tasks assigned to us, we should firmly give priority to railway transport. The foundation for a self-reliant national economy, which has been laid in our country, is very great. Its potentials have been constantly increased.

In a bid to strengthen the national economic might by thoroughly implementing the line of self-reliant national economic construction, whose vitality has been more clearly proven in socialist economic construction; and in a bid to smoothly resolve the issue of people's food, clothing, and shelter in conformity with socialist demand; we should further increase the role of railway transport, which is at national economy's forefront.

Plants, enterprises, and construction sites everywhere demand that we more rapidly transport raw materials, fuel, and equipment. Heavier tasks are assigned to the railway transport area day by day. Resolving the urgent transport issue is the important and urgent task assigned to us in promoting socialist economic construction.

Functionaries and the working people, who are involved in railway transport, should be clearly conscious of railway transport's role to develop the national economy as a whole. They should constantly put great efforts into the work to develop railway transport. By so doing, they should effect a new turning point in railway transport.

Modernizing material and technological foundation of the railway is an important task which we should put efforts at present to further develop railway transport. To modernize railway material and technological foundation, we should improve railway transport's technology and facilities by transforming its technology and facilities with advanced technology and new facilities.

Only when railway's material and technological foundation are modernized, can transport capability and passage capability be increased. Only then can more cargo be more rapidly transported. Thus, functionaries working in railway transport can be liberated from backbreaking work.

Rapidly completing railway electrification is important in modernizing railway's material and technological foundation. We have basically completed the electrification of major railroads. After some railway branch lines and incoming lines are electrified, a unified transport system by means of electric locomotives can be completed.

Railway transport domains should set a high goal to complete railway electrification within a short period. They should correctly decide an order to electrify railway branch lines and local railway lines, and should finish electrifying them one by one by concentrating their strength on them.

Railway transport domains should concentrate their strength on electrifying the already begun electrification program and on the northern district railroad. By so doing, they should complete them rapidly.

We should constantly put great efforts to make the railways heavy-duty. Only then can locomotive's pulling capacity, freight wagon's loading capacity, and transport facilities' loading capacity be increased. Railway transport domains should constantly struggle to largely produce eight-axle electric locomotives and 100-ton freight wagons by using experiences and achievements effected in making railways heavy-duty.

In particular, the rail transport sector should supply the necessary facilities and materials for the Kim Chong-tae electric locomotive complex and the 4 June rolling stock complex in sufficient quantity so that they can vigorously accelerate the production of electric locomotives and rolling stock.

At the same time, it should also do a good job in increasing the strength of the railroad and the capacity of the railroad structures, including bridges.

In modernizing the material and technological railroad base, it is important to accelerate the automation of the railroad operation and the mechanization of the loading and unloading. Rolling stock has greatly increased, and trains can go much faster. Under this condition, we cannot correctly direct the operation of trains with an outdated command system. The railroad transport sector should struggle actively to introduce automation, computerization, a wireless system, and television monitoring of the command and direction system. To this end, the relevant sectors should responsibly produce and supply the facilities, materials, and equipment needed to modernize the railroad operation.

All of the plants and enterprises with an exclusive line with the railroad transport sector should produce and install machines and facilities for loading and unloading cargo and (?for turning around) freight cars.

Intensifying transport organization is important work. It must be firmly adhered to in thoroughly implementing the task that the great leader put forth in his New Year's address for the development of railroad transport. We should efficiently carry out the transport organizational work to effectively utilize the material and technological railroad base already available. The relevant functionaries of the railroad transport sector should set up a scientific and specific transport plan in close cooperation with the [word indistinct] and thoroughly outline the discipline for its rigorous implementation. By so doing, they should eliminate the reverse freighting, repeat freighting, and other unreasonable freighting and see to it that all the trains operate according to a [word indistinct]. At the same time, they should set up an orderly command system that functions according to a unified directive and regularize railroad operation.

The functionaries of the railroad transport sector should intensify the efficient organizational work to implement the policy of intensive freighting, container freighting, and combined freighting put forth by the party with high sense of responsibility and an attitude befitting a master. By so doing, they should effectively utilize the available railroads, freight cars, and structures to transport more cargo more swiftly.

The work to develop railroad transport cannot be done by the Ministry of Railroads alone. Since railroads benefit all sectors and units, and everyone uses railroads, the work to develop railroad transport is a joint task involving everyone. The entire party membership, the entire country, and all of the people should vigorously support railroad transport work rapidly. All of the functionaries of all sectors and units, from guiding functionaries of the departments of the State Administration Council committees to those of plants and enterprises, should actively solve the problems arising in modernizing railroads and utilizing the existing railroad transport capacity to the utmost with a firm awareness that the problem of solving the pressing transport problem and further developing railroad transport in conformity with the demand of the high stage of socialist economic construction is not a problem of someone else.

As a present task, the metal industrial and mechanical industrial sectors should produce and supply the steel products necessary to manufacture electric locomotives and freight cars, electric machines, loading and unloading equipment, etc. The party organizations of various levels, including the provincial, municipal, and county party committees, should vigorously organize and mobilize the party members and working people to the mass campaign to support the railroad.

At the same time, the party organizations of various levels of the railroad transport sector should intensify the ideological indoctrination work for the railroad functionaries and lead them well so that they can thoroughly implement the militant task given to the railroad transport sector by the great leader in his New Year's address.

All party organizations, functionaries, party members, and working people of the railroad transport sector should uphold the slogan of faith "What the party decides, we will do" and effect continuous innovations and advances so that they can rapidly develop railroad transport and bring forth a new great upturn in the transport work.

KCNA Reviews Pyongyang Press for 21 Jan

SK2101051692 Pyongyang KCNA in English
0429 GMT 21 Jan 92

[Press review]

[Text] Pyongyang January 21 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il-song received president of the South Korean "Daewoo Business Group" Kim U-chung and his party and a report that Kim U-chung presented a gift to the dear leader Comrade Kim Chong-il.

Appearing in papers is a report that President Kim Il-song received solidarity messages and letters from different countries in support of the new policy of national reunification put forward by him in his New Year address.

It is reported in NODONG SINMUN that the general secretary of the Central Committee of the Workers' Party of Bangladesh made public a statement supporting the New Year address of President Kim Il-song.

Given in the press is an account of a meeting held in Pyongyang to mark the 40th anniversary of the publication of "*On Making Good Preparations for Universal, Free Medical Care*", a classical work of President Kim Il-song.

An article of NODONG SINMUN says that President Kim Il-song and Comrade Kim Chong-il called at the Songbuk Cooperative Farm in Kosan County, Kangwon Province, and wisely led the work of putting the subworkteam management system into practice.

Papers report that Comrade Kim Chong-il received a silk banner from David Baz [name as received], chairman of the National Socialist Party of Syria in Lebanon, on his 50th birthday.

South Korean people are ardently following the chuche idea, says NODONG SINMUN.

The DPRK ambassador presented his credentials to the Zairese president, according to the press.

NODONG SINMUN informs the readers that the chairman of the Social-Democratic Party of Denmark met the DPRK ambassador to his country.

The paper comes out with an article denouncing the South Korean ruler for evading the implementation of the agreement, crying for "exchange first".

The paper in a commentary condemns the No Tae-u ruling group for killing a 70-year-old man in a demonstration against the South Korean tour of the Japanese prime minister.

An article of the paper deals with the factional strifes for the next-term presidential chair which continues in South Korea.

New year lectures for Korean traders and manufacturers for 1992 organized all at once by the organisations of the General Association of Korean Residents in Japan (Chongnyon), according to the paper.

The paper runs a commentary hitting out at the utterances of Japanese Prime Minister Miyazawa who visited Seoul recently that there is no change in the stand of Japan in making nuclear inspection an important condition of the negotiation for normalizing DPRK-Japan diplomatic relations.

A spokesman for the DPRK Foreign Ministry stressed that the world should approach Japan's plan for nuclear arming with vigilance and check and frustrate it in good time, says the press.

NODONG SINMUN reports that Comrade Jiang Zemin inspected Shanghai, the general secretary of the National Council of the Communist Party of India expressed the resolution to defend Marxism-Leninism, the Zimbabwean president called for rejecting capitalism and the Afghan president outlined the achievements of the policy of national reconciliation.

International news of the paper includes a report about the strengthened international solidarity with the Cuban people.

An article of the paper lays bare the fact that the U.S. imperialists are reinforcing their military bases in the Asia-Pacific region.

KCNA Reviews Pyongyang Press for 22 Jan

SK2201050992 Pyongyang KCNA in English 0428 GMT 22 Jan 92

[Press review]

[Text] Pyongyang January 22 (KCNA)—Papers here today report that Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, exchanged New Year's cards with foreign party and state leaders and carry messages of greetings to him from the general secretary of the Central Committee of the Socialist Party of Australia and the chairman and the general secretary of the Central Committee of the Dominican Labour Party.

NODONG SINMUN in an article says that the great leader President Kim Il-song created the Chongsan-ri spirit and Chongsan-ri method embodying the revolutionary mass line and the Taean work system and a new agricultural guidance system and generalized them in the whole party and the whole country.

Appearing in the press is a report that the dear leader Comrade Kim Chong-il sent a wreath to the bier of the late Kim Chi-hang who was chief engineer of the Pyongyang City Designing Office.

It is reported in the press that Comrade Kim Chong-il received congratulatory messages and letters from different countries on his election as supreme commander of the Korean People's Army and meetings took place in Peru and Ghana on this occasion.

Carried in NODONG SINMUN is a message of greetings sent by the Central Committee of the Workers' Party of Korea to Armando Kossuta and Serdjo Garavini Monday [20 January] upon their election as chairman and general secretary of the Communist Reformative Party of Italy.

Given in the press is an account of the second contact of delegates to the inter-Korean high-level talks held to exchange the texts of "Joint Declaration on the Denuclearisation of the Korean Peninsula". Papers carry the joint declaration which was adopted.

Papers report about innovations effected in the production of coal and cement and railway transport.

Papers inform the readers that a delegation of the Democratic People's Republic of Korea arrived in New York to participate in the DPRK-USA high-level talks and talks between the aviation authorities of the DPRK and Japan will be held in Beijing.

NODONG SINMUN echoes voices of solidarity of foreign crewmen and personages for the Korean people's cause of national reunification.

A commentary of the paper denounces the Japanese reactionaries and the South Korean puppets for taking a new road of dangerous tieup through the South Korean trip of the Japanese prime minister.

The U.S. imperialists and the South Korean puppets committed various war manoeuvres against the North and the chairman of the Federation of South Koreans in Japan for Democracy and Unification called for strengthening the national alliance for the country's reunification to bring earlier national reunification, says the paper.

The paper in an article says that the peace and military problems must be primarily settled in the spirit of the North-South agreement.

Carried in the paper is a statement issued by Hong Il-chon, rector of Kim Hyong-chik University of Education, denouncing the criminal act of Japanese imperialism in drafting Korean women as "comfort girls for the army" during the Pacific war.

International news of the paper inclues reports that the Council of State of Cuba flailed the United States for destroying peace and security of the Cuban people, the secretary-general of the Communist Party of Portugal declared that the disappearance of the Soviet Union does not mean the extinction of the communist ideology and China opened diplomatic relations with countries of the Commonwealth of Independent States.

The Japan tour of Bush is sharply criticized in the United States as one in which he "went for wool and came home shorn," according to the paper.

Papers carry articles on the current situation in El Salvador which is developing favourably.

South Korea

Students Apply for Political Asylum in Germany

SK1801032692 Seoul YONHAP in English 0312 GMT 18 Jan 92

[Text] Berlin, Jan. 18 (YONHAP)—Two South Korean students applied for political asylum in Germany late last year, one said Friday.

Song Yong-sung said he and Pak Song-hui, both sent here by Chondaehyop (The National Alliance of Student Representatives) to form Pomchonghagnyon (The Federation of Pan-National University Students for the Unification of the Fatherland), had submitted applications for asylum.

Song said that they had turned their expired passports over to the German authorities and expected to be granted asylum within several months.

Under German law, would-be defectors are permitted to stay in Germany until a final decision is made.

Pak and Song have been working at a Pomchonghagnyon liaison office in downtown Berlin since they returned from North Korea in late October.

Reports Continue on Relations With North Korea

No Tae-u Encourages NUB Efforts

SK2001062692 Seoul YONHAP in English 0546 GMT 20 Jan 92

[Text] Seoul, Jan. 20 (YONHAP)—President No Tae-u told the National Unification Board [NUB] on Monday to more actively coordinate the efforts of government offices and other authorities in South Korea to advance reconciliation, nonaggression, exchange and cooperation with North Korea.

"To promote inter-Korean relations harmoniously in the basic framework of reconciliation, nonaggression, exchange and cooperation, the National Unification Board should carry out its mediator role more actively. The board needs greater manpower, a larger budget and better organization," No said after hearing about plans for inter-Korean relations from Unification Minister Choe Ho-chung and other ministers at Chongwadae.

The chief executive told his ministers to endeavor to give the people an understanding of the situation in North Korea.

"A correct understanding will be helpful in the government's implementation of reunification policies and is imperative to minimize the impact of reunification," he said.

Noting the Defense Ministry's burden in readjusting Korea's defense, he said: "Our military should take a forward-looking attitude while maintaining its defense readiness."

Choe told No that the government would open a hotline between the military authorities of South and North Korea in the first half of the year and promote the establishment of banks to handle direct transactions of goods and materials between the two sides.

Efforts would be made to upgrade exchanges of non-political radio and television programs, co-produce programs, and start exchanges of journalists and allow them to cover news on a limited scale, he said.

Choe, who is also deputy prime minister, told No positive endeavors would be made to form an inter-Korean joint committee for legal affairs.

By sincerely implementing the South-North Korean agreement on reconciliation, nonaggression and exchange and cooperation signed Dec. 13, the government would try to turn the armistice into a peace regime, reduce arms on the basis of military confidence building, and realize free travel, trade and telecommunications between the two sides of the divided peninsula, he said.

The Dec. 13 agreement and the inter-Korean joint declaration on a non-nuclear Korean peninsula initialed Dec. 31 will be ratified in the sixth round of high-level talks, which open in Pyongyang on Feb. 18.

In February, South and North Korea will begin adopting detailed accords and will inaugurate three subcommittees—political, military, and exchange-cooperation—and a joint committee for nuclear control.

In May, a South-North Korean liaison office, a joint military committee and other committees will assume operations to materialize the Dec. 13 agreement and the Dec. 31 declaration.

To enhance reconciliation between South and North Korea, the government will make an effort to end verbal attacks on specific persons, propaganda broadcasts by loudspeaker in truceline areas, the distribution of leaflets denouncing the other side, and all destructive and subversive activities.

The liaison office at the truce village of Panmunjom will be a channel for the authorities to contact each other as well as a window for private exchanges.

The government was studying setting up a postal center and telephone lines between Seoul and Pyongyang, and constructing a building jointly with North Korea for the liaison office, the unification minister said.

Touching on separated families issues, Choe said reunions would be arranged, but primarily for senior citizens, and efforts would be made to locate members of separated families and arrange for them to exchange letters.

The government will try to open a center for members of separated families at Panmunjom at the earliest possible date.

He said the government would seek to realize mutual inspection of nuclear-related facilities, substances and sites by South and North Korea, and talks on the peaceful use of the Demilitarized Zone and on the balance of military power.

The government would work to exchange art troupes and cultural delegations on commemorative and traditional festive days, and it would hold artistic and sports events jointly with the North.

South and North Korea will seek joint developments of natural and marine resources, make joint endeavors to attract tourists, and set up joint ventures in footwear, textiles and other fields that will be mutually beneficial, Choe said, predicting inter-Korean deals would hit 500 million U.S. dollars this year compared with 190 million dollars last year.

"A high-level strategic conference" would be inaugurated under the chairmanship of the prime minister to see to it that all the plans were put into practice without fail, Choe said.

Foreign Minister Yi Sang-ok said that his ministry would concentrate its diplomatic efforts on drawing support and cooperation of surrounding countries for the three principles regarding reunification. The principles are: The Korean question should be settled by the two Koreas, Korean security should be solidly guaranteed, and reunification should be sought in a way that promotes the interests of all the Korean people.

Yi said his ministry would discuss with North Korea how to cooperate in the international community and how to make joint advancements.

His ministry would carry out projects for North Korea through such regional and international forums as the Asia Development Bank, the United Nations Industrial Development Organization, and the U.N. Food and Agriculture Organization, Yi said.

Defense Minister Choe Sae-chang said his ministry would do its utmost to practice the five-point inter-Korean agreement for military confidence building.

Efforts would also be launched to hold negotiations with North Korea on phased arms reduction, including elimination of weapons of mass destruction and on-the-spot inspection of arms reduction procedures, Choe said.

Unification Minister Interviewed

SK2101123192 Seoul KBS-1 Television Network in Korean 1200 GMT 20 Jan 92

[Interview with Choe Ho-chung, deputy prime minister and minister of national unification, by KBS anchorman Pak Tae-song on 20 January—live]

[Text] [Pak Tae-song] Deputy Prime Minister and National Unification Minister Choe Ho-chung is now hooked up to this studio. How are you? In the plan that you reported to President No today you said that the government will begin disarmament negotiations with the North. When do you think disarmament negotiations will start?

[Choe Ho-chung] In order to remove the danger of military conflict on the Korean peninsula it is important to maintain a military balance between the North and the South. More important than this, however, is to build military confidence between us. Moreover, because the

North and the South have maintained relations of distrust and confrontation for so long, we should make efforts to build military confidence first.

In particular, North Korea's nuclear development draws special attention not only from our country, but also from the international community. Therefore, the issue of inspecting North Korea's nuclear facilities should be settled without a moment's delay. The North-South military committee, which will deal with these issues, is to be inaugurated within three months after the North-South agreement slated for February goes into effect. I see the military committee being formed in May at the latest. Once the committee is formed in May we will settle various issues related to building military confidence one by one.

[Pak] I know that you also reported to the president a plan for North-South broadcasting exchange. Would you give details of the plan?

[Choe] It is true that the issue on North-South broadcasting exchange was very difficult during negotiations for the North-South agreement last year and that the North side hesitated to reach an agreement on it. Now that an agreement has been reached we expect that its contents will be put into practice one at a time, however. What I wish in this regard is to realize an exchange in such a way that personages in the broadcasting circles of the North and the South make mutual visits and provide news coverage if possible. Of course, it will take time to realize such an exchange. We are considering starting mutual exchanges in programs on our traditional culture and joint manufacturing first.

[Pak] What about your efforts for North-South summit talks? When do you think North-South summit talks will be held?

[Choe] As we saw, the ROK-Soviet summit talks and the ROK-U.S. summit talks were very effective in settling difficult problems and improving relations. In light of North Korea's ruling system, I think that summit talks between North and South Korea will be a great turning point and momentous in developing North-South relations. President No has often made clear his position that he is ready to hold North-South summit talks at any time and any place.

In his New Year's news conference President No also expressed his hope that the summit talks will be held in the near future. The North side, too, has said that if progress is made in the North-South high-level talks, this will lead the talks to the highest level. I see no differences in the basic position of the two sides as far as North-South summit talks are concerned. The only problem is when and where. These issues have not been settled yet. I believe they will be settled easily in the future, however. We will make quiet preparations for them from now on.

[Pak] Thanks.

Two-Way Trade Increases Eight-Fold

SK2001115992 Seoul YONHAP in English 1016 GMT 20 Jan 92

[Text] Seoul, Jan. 20 (YONHAP)—As relations have improved between South and North Korea, so has two-way trade, trade and industry officials said Monday.

Volume of the two-way trade rose almost eight-fold from 25 million U.S. dollars in 1990 to 192.17 million dollars last year, they said.

Contacts between businessmen were made on 118 occasions, almost 10 times the number in 1990, and some 130 South Korean firms traded with North Korea, a four-fold increase.

Capitalist South Korea shipped to North Korea 26.18 million dollars of goods, including 11.43 million dollars of petrochemical goods, 7.2 million dollars of textiles and 1.56 million dollars of electronic home-appliances.

North Korea sold the South 165.99 million dollars of products, mainly natural resources, including non-ferrous metals worth 72.83 million dollars, minerals worth 29.89 million dollars, and marine products worth 25.96 million dollars.

North Korea, desperate to escape a foreign exchange crunch, changed its attitude toward inter-Korean trade by approving direct merchandise exchanges and activating contacts of businessmen from each side, which contributed to the surge in trade, the officials said.

South Korean buyers rushed to introduce primary commodities from the North because of their good quality and since the government eliminated tariffs on them, they said.

Joint Industrial Complex Planned

SK1901013792 Seoul THE KOREA TIMES in English 19 Jan 92 p 1

[Text] A large-scale industrial complex will be established in Haeju, Hwanghae-do, in a joint venture between South and North Korea. The issue of setting up what is called "peace industrial complex" will be extensively discussed between officials from the two Koreas, a reliable source said yesterday.

The industrial complex will be built in the form of a special economic zone on a vast land of three million pyong, for which South Korea will provide capital and technology and North Korea will offer labor. One pyong is about 3.3 square meters.

The goods manufactured from the Haeju complex are to be exported to the third countries.

The issue of establishing the Haeju estate is now being discussed between North Korean officials and Daewoo Group's chairman Kim U-chung, who is now visiting Pyongyang, the source revealed.

The establishment of an industrial complex has been one of the major topics brought up in the inter-Korean premiers' talks and North Korea has expressed favorable reaction to the project.

Joint Olympic Team Proposed

SK1701013792 Seoul YONHAP in English 0059 GMT 17 Jan 92

[Text] Seoul, Jan. 17 (OANA-YONHAP)—South Korea is to officially propose to North Korea next month that they open talks on forming a single team for the 1992 Barcelona Olympics, Sports and Youth Ministry officials said Friday.

Sports and Youth Minister Kim Chin-sam will meet with Kim Yu-sun, head of North Korea's Physical Culture and Sports Commission, at the Albertville Winter Olympics, opening Feb. 8, and discuss sending a single Korean team to the Summer Games, according to the officials.

South Korea will find out North Korea's position at the Winter Olympics, in the inter-Korean prime ministers' talks and through other channels, and officially propose talks sometime next month, they said.

"Even if North Korea responds negatively to reopening sports talks, we need to make an official proposal and confirm its position," one official said.

"If North Korea has the determination to form a single team, I'm sure we can do so before the March 25 application deadline," he said.

Military Urges Vigilance in DPRK Dealings

SK2201022992 Seoul THE KOREA TIMES in English 22 Jan 92 p 3

[Text] North Korea has not yet given up its old strategy of communizing the South on its own ideological terms despite the recently-concluded inter-Korean agreement on reconciliation, nonaggression, exchanges and cooperation, observed Gen. Yi Pil-sop, chairman of the Joint Chiefs of Staff, yesterday.

Chairing a meeting to counter any infiltration by North Korean agents Gen. Yi said the undiminished military posture of North Korea and the ensuing tension continued to affect the Korean peninsula although the South had gone so far as to suspend the annual joint ROK-U.S. military training "Team Spirit" in its efforts to build up mutual confidence between the two Koreas.

The general called on the military, civilians and government officials not to slacken their alertness against armed provocations by North Korea, warning that it would mount heavy propaganda campaigns against the South during the period of the forthcoming general elections this year.

Defense Ministry Cites Continuing 'Propaganda'

North Intensifies 'Slander'

SK1701030492 Seoul KBS-1 Television Network in Korean 1200 GMT 16 Jan 92

[Report by Han Chun-yop]

[Text] In the South-North agreement signed on 13 December 1991, it stipulates that, first of all, slander and abuse of the other side must be stopped to achieve South-North reconciliation. However, along the 155-mile armistice line, North Korea is continuing to carry out slanderous propaganda broadcasting toward the South as usual for 17 hours daily over large loudspeakers.

On 16 January, a Defense Ministry authority confirmed that, even though one month has passed since the adoption of the South-North basic agreement, the North Korean side has somewhat increased its original daily offensive propaganda and agitation broadcasting toward the South through its government-run broadcast and loudspeakers on the front line.

In the case of North Korean broadcasts over loudspeakers aimed at the South which were aired along the armistice line on 12 January, it claimed that the South Korean people's lives are difficult because in South Korea's politics the despotism of the bureaucracy is serious, and on 6 January, it instigated the subversion of the South Korean system by propagandizing that the fascist clique, which has been degraded to confusion and collapse, must be driven out.

The reason North Korea is not showing change in the number and content of slanderous broadcasts toward the South is that it is worried about the rapid collapse of its system that may be brought about by reform and openness in North Korean society.

It seems that even after the South-North agreement goes into effect on 19 February, broadcasting toward the South aimed at producing harmony within North Korea and arousing the people's hostility toward the South will continue for the time being.

Accused of 'Two-Sided Policy'

SK1701035092 Seoul YONHAP in English 0235 GMT 17 Jan 92

[Text] Seoul, Jan. 17 (YONHAP)—North Korea continues to slander and insult the South Korean Government and its people despite the inter-Korean agreement on reconciliation, nonaggression, and exchange and cooperation.

"We could not detect any appreciable change in North Korea's basic attitude toward South Korea since the prime ministers of both halves of the Korean peninsula signed the agreement," says an analyst at the Defense Ministry.

"Major North Korean news media and propaganda broadcasts along the Demilitarized Zone continue to heap insults on the Seoul government while fanning social and political unrest among ordinary citizens in the south as they have done for the last 45 years," adds the analyst, who wishes to remain anonymous.

South and North Korea signed the agreement Dec. 13. It specifically states that they will stop slandering each other and that they will promote exchanges and cooperation in the fields, among others, of culture, arts, newspapers, radio and television.

Although the agreement takes effect at the sixth round of the prime ministers' conference, to be held in Pyongyang Feb. 19, the prospects for immediate improvement in South-North Korean relations are not bright, he said.

In contrast to the North Korean attitude, Defense Ministry officials say South Korea has changed its psychological propaganda to what was come to be known as a psychological campaign aimed at awakening the North Korean people by telling them the truth.

The policy was changed with President No Tae-u's declaration on July 7, 1988, that South Korea would no longer regard North Korea as its enemy. Since then, South Korea has begun to call, for instance, North Korean leader Kim Il-song by his official title of president.

From July 7, 1988, South Korea has also refrained from unnecessarily irritating or slandering North Korea by changing the contents of radio and other electronic broadcasts beamed at North Korea. For example, South Korea relayed the telecast of an inter-Korean soccer game even when the Southern side was defeated, the officials say.

The change of policy apparently had a desirable effect, they say, as almost all defectors from the North say many North Koreans are trying hard to listen to South Korean broadcasts as credible sources of information.

Despite the goodwill gesture from the Southern side, the officials say, North Korea continues to use such old, worn-out phrases as "the puppet clique (the South Korean Government)," "Yankee aggressors (the United States)," and "the fascist bandits (South Korean leaders)" in their propaganda broadcasts.

In the first 12 days of this year, for instance, Pyongyang radio and Chosun central broadcast said: "Ulchin (Kangwon Province) residents staged demonstrations against the puppet clique's plans to build a nuclear waste dump site," and "No Tae-u's cancellation of local elections this year is an admission that his declaration for democratization of South Korea is a lie. It is an insult to the South Korean people."

"All this proves that North Korea is pursuing a two-sided policy," one ministry official says.

On the surface, Pyongyang appears to be following a path of rapprochement by joining the United Nations with the South, adopting the inter-Korean agreement and signing an accord calling for a nuclear-free Korean peninsula.

"North Korean leaders indeed appear to be fostering peace and reconciliation with the South," he says. "But they are in fact pursuing the old, hostile, isolationist policy for fear of the reform and openness that are sweeping the world.

"It is really doubtful, therefore, whether the two Koreas can build trust and confidence as long as rulers in the North cling to power," he adds.

Expert Views Kim Chong-il's Command of Military

SK2201060192 Seoul YONHAP in English 0514 GMT 22 Jan 92

[Text] Moscow, Jan. 22 (YONHAP)—Transfer of command over North Korea's military from President Kim Il-song to his son and heir apparent, Kim Chong-il, late last year violated the North Korean Constitution and was far from democratic, a Russian expert on Korean affairs said Wednesday.

Valeriy Ermolov, a Foreign Ministry official in charge of the Korean peninsula, said the decision of the Central Committee of North Korea's Workers (Communist) Party had violated the constitution, which stipulates that only the president, who is chairman of the National Defense Committee and in control of the armed forces, can be the supreme commander.

The North Korean Supreme People's Assembly might give legal validity to the decision, but it was clear that the procedure of transferring power, which is in its final stage, was being carried out in defiance of constitutional procedures and democratic principles, he said.

Ermolov said there was speculation that the junior Kim would kick out aging military leaders to consolidate his grip on the armed forces and tighten the screws on North Korean society to strengthen the ideological system.

Under such circumstances, it was difficult to expect North Korea to faithfully fulfill the inter-Korean agreements on a non-nuclear peninsula and on reconciliation, nonaggression, exchanges and cooperation, he said.

Ermolov said humanitarian exchanges such as free exchanges of letters, reunions of families, free travel and communications between the two sides would be the same as a time bomb inside North Korea, as was the case in Germany. He forecast that North Korea would fail to realize the agreements.

North Korea is expected to sign nuclear safeguards agreement with the International Atomic Energy Agency (IAEA) soon but there is not much time to fulfill international obligations until mid-February when an IAEA meeting is scheduled.

If IAEA, dissatisfied with North Korea's attitude, would have to take some "extreme measures," including referring the matter to the United Nations Security Council, the issue of North Korea's nuclear problem could return to the beginning, he said.

Russia Gives Official Debt Repayment Notification

SK2001015092 Seoul YONHAP in English 0125 GMT 20 Jan 92

[Text] Seoul, Jan. 20 (YONHAP)—The Russian Federation has officially notified South Korea that it has taken over the repayment of a 3 billion-U.S.-dollar loan from Seoul, the Foreign Ministry said Monday.

The notification came last Friday that Russia was taking over all debts of the former Soviet Union, ministry officials said.

The loan comprises 1 billion dollars in cash and 2 billion dollars in tied-loans and plant exports.

Fishing Agreement Reached With Russia 21 Jan

SK2101130992 Seoul YONHAP in English 1245 GMT 21 Jan 92

[Text] Seoul, Jan. 21 (YONHAP)—South Korea and the Russian Federation have agreed to allow their fishermen to catch at least 430,000 tons of cuttlefish and Alaskan pollack each year in each other's territorial waters.

The accord was reached in Seoul Tuesday during the first meeting of the Korea-Russia Fisheries Committee co-chaired by Yun Ok-yong, South Korea's fisheries administrator, and V.M. Lushnikov, vice chairman of the Russia Federation Fisheries Committee. The senior negotiators signed the minutes of their meeting.

The annual quota was set at 30,000 tons for free fishing and over 400,000 tons for fishing with compensation or in joint ventures. The quota compares with South Korea's demand for Alaskan pollack which totaled 540,000 tons last year.

The two sides also agreed to cooperate for the preservation of each other's marine resources, exchange fishing technology and information and cooperate in international fisheries bodies.

The officials agreed to meet again in Vladivostok on Feb. 10 to fix fishing charges and periods and number of operating boats.

The second Korea-Russia Fisheries Committee was scheduled for November in Russia.

Kotra To Resume Trade Center Project in Moscow

SK2201062192 Seoul YONHAP in English 0531 GMT 22 Jan 92

[Text] Seoul, Jan. 22 (YONHAP)—The Korea Trade Promotion Corp. (Kotra) will break ground for a trade center in Moscow this year, resuming work on the project, halted last year due to political instability, in cooperation with the Russian Government.

In a report to the Trade and Industry Ministry, Kotra said Wednesday that it planned to set up an exclusive corporation to carry out the project and secure 7,600 pyong (25,080 square meters) of office space in the Moscow International Business Complex in the first half of the year.

Ground-breaking for the Korea-Russia trade center is set for the second half and completion is due in 1996. The center will have office buildings, hotels and apartments with a total floor space of 44,000 pyong (145,200 square meters), the report said.

The estimated cost of 350 million U.S. dollars will be raised through foreign loans, pre-paid rents and investors, a Kotra official said.

Kotra has decided to conclude business cooperation pacts with China, Vietnam and Russia soon to expedite trade with them and will invite commodity buying delegations from China and Eastern Europe, he said.

He said that Kotra was planning to set up trade offices in Vladivostok and Shanghai, and would send a market exploration team to Japan to improve the trade balance.

Kotra would let each foreign trade office act as a branch office for at least 10 medium- and small-sized firms, he added.

Taiwan Envoy Urges Closer Economic Cooperation

SK1801041592 Seoul THE KOREA TIMES in English 18 Jan 92 pp 1,2

[Interview with Charles Shu-chi King, Taiwan ambassador to ROK, by reporter Shin Hak-yim in Seoul on 17 January]

[Text] The Republic of China's Ambassador to Korea Charles Shu-chi King has called for South Korea to work together with his country in order to rectify ever-increasing trade deficits with Japan.

To achieve that goal, he suggested in an exclusive interview with THE KOREA TIMES yesterday that his country and South Korea increase purchases of industrial goods from each other, diverting their import sources from Japan. South Korea and Taiwan recorded 8.8 and 9.5 billion dollars, respectively, in trade deficits with Japan last year.

Amb. King also proposed that his nation and South Korea undertake joint development of those machinery parts and components which the two leading newly-industrializing countries are dependent upon Japan.

"Japanese Prime Minister (Kiichi) Miyazawa is now visiting South Korea. But the Japanese Government remains lukewarm in the transfer of its technology to us.

If our two countries work together, Japan will find it difficult to reject our demands for the transfer of technology," Amb. King said.

He went on, "I believe there is tremendous potential for cooperation between our countries, though there are some competing sectors within the two economies."

Amb. King, 55, then emphasized the necessity to cooperate in developing natural resources and science and technology, among others, between the two countries.

Asked why he believes economic cooperation between Korea and Taiwan has been unsatisfactory so far, Amb. King said, "I have been thinking about that problem since I was assigned to Korea in September, 1990. Frankly speaking, I am afraid that the South Korean Government has avoided upgrading relations with the Republic of China in its attempts to improve ties with communist China under its northern policy.

"However, I have asserted to Korean Government leaders as well as scholars and exports here that the deepening of relations between the Republic of China and the Republic of Korea would have no ill effect upon Korea's moves to improve relations with communist China."

As a result, the leaders of our two governments share the necessity to return Korea-China ties to the right tract, said Amb. King, observing that brisk exchanges of visits by high-ranking government officials of the two countries will resume soon.

He renewed his government's call for South Korean businesses to take part in the six-year development program, which began last year. He pointed out that his government plans to invest some $300 billion for the development plan.

Amb. King said he suggested that South Korea dispatch a business delegation to his nation for a feasibility study on which sectors South Korea will be able to participate, when he met Korean Construction Minister So Yong-taek Wednesday.

Asked to comment on the Seoul-Beijing ties, Amb. King said, "Many Korean scholars and experts who I have met so far said that it is not desirable for the South Korean Government to hastily promote relations with communist China at the risk of damaging the friendly relations between Korea and the Republic of China.

"They told me that they were skeptical of the need for Korea to quickly promote upgrading ties with communist China as South and North Korea are improving their ties following the entry of the two Koreas into the United Nations last year," said Amb. King.

Touching on ties between the two Chinas, Amb. King said that his government is taking a prudent, three-phase approach to the improvement of relations with mainland China.

At the first stage, he said, the Republic of China seeks to put an end to four-decades of enmity. Above all, communist China should give up its plan to communize the Republic of China, he said, asserting that Beijing should not drive Taiwan into a corner in the international community, in particular.

Then, capitalist China will seek to restore mutual confidence through direct exchanges and cooperation in communications and trade. At that stage, he said, our government is ready to directly invest in the special economic zones along the eastern coastal areas of mainland China.

In the third stage, the two Chinas may begin direct negotiations to realize unification, according to Amb. King.

"However, our government has never set any timetable for the three-phase approach to unification. All depends upon the attitude of the communist China," Amb. King said.

No Tae-u Urges Foreign Ministry Economic Focus

SK2001084692 Seoul YONHAP in English 0828 GMT 20 Jan 92

[Text] Seoul, Jan. 20 (YONHAP)—President No Tae-u has instructed the Foreign Ministry to focus on economic diplomacy this year, but to shift the emphasis away from coping with market-opening pressure to neglected areas such as market expansion, easing trade barriers, and science and technology cooperation.

Following a briefing by Foreign Minister Yi Sang-ok, No complained Monday that the government lacked diligence and was not making enough effort to find the cause of, and to solve, Korea's chronic trade deficit with Japan. The president said the ministry should give full attention to preparing the action plan agreed on between the two countries.

In his briefing, the foreign minister reported that one of his chief aims was to balance Korea's trade figures with Japan, the United States and other major trading partners.

He placed special emphasis on promoting science and technology cooperation to boost the international competitiveness of Korean goods, and said his ministry would launch diplomatic efforts for early normalization of relations with China.

Formal ties with Vietnam, Laos, Cambodia, Egypt and Syria were also being pursued, he told the president.

As well as strengthening relations with Russia, the government would open resident diplomatic offices in Ukraine and Kazakhstan, he said.

Yi listed his five aims for 1992—strong ties with Japan and the United States, completion of 'nordpolitik,' international support for Korean reunification, economic and trade diplomacy, and cooperation through the United Nations.

Korea would seek directorships in more global organizations, such as the international civil aviation organization, he said.

Trade Ministry Makes Export, Import Announcements

Petrochemical Exports Increase

SK1701064692 Seoul YONHAP in English 0538 GMT 17 Jan 92

[Text] Seoul, Jan. 17 (YONHAP)—South Korea exported over 1 million tons of petrochemical products last year with the help of a rise in exports of synthetic resin to Southeast Asian countries, the Trade and Industry Ministry said Friday.

Petrochemical exports this year are expected to surpass 1.5 million tons due to China's abolition of discriminatory tariffs on Korean goods, the Ministry said.

Ethylene exports in 1991 dropped 30 percent to 11,600 tons from a year earlier, while synthetic resin exports increased 116 percent to 960,900 tons, synthetic fiber rose 80 percent to 83,600 tons and synthetic rubber climbed 6 percent to 43,000 tons.

A ministry official said petrochemical exports would further improve this year because the international naphtha price was likely to drop 50 U.S. dollars to below 180 dollars.

Southeast Asian nations and China would become Korea's main buyers this year as Japan has no surplus to export and competing countries such as the United States and Canada have higher transportation costs, the official said.

Korea sold 1.2 billion dollars of petrochemical goods to other countries in 1990, up 47.4 percent over 1989, 1.6 billion dollars in 1991, up 35.6 percent, and is projected to sell 2.3 billion dollars this year, up 44.4 percent, the official said.

Textile Exports Rebound

SK1801062192 Seoul YONHAP in English 0544 GMT 18 Jan 92

[Text] Seoul, Jan. 18 (YONHAP)—Textile exports, off 3.1 percent in 1990, rebounded 4.6 percent to a record 15.34 billion U.S. dollars last year, the Trade and Industry Ministry said Saturday.

Fiber yarn exports grew 12.8 percent to 1.3 billion dollars and fabric exports expanded 22.3 percent to 5.7 billion dollars, the ministry said.

Exports to the United States lost 400 million dollars to 3.5 million dollars and those to Japan and the European Community remained almost unchanged at 3 billion dollars and 2 billion dollars, respectively. Shipments to other regions rose 900 million dollars to 6.7 billion dollars, it said.

The ministry has set this year's export goal at 16.5 billion dollars, up 1 billion dollars from 1991. It predicts the U.S. economy will recover gradually, that the European Community will grant Korean exporters privileges under the generalized system of preferences and that China will abolish discriminatory tariffs on Korean products.

Cement To Fall Short of Demand

SK1701084492 Seoul YONHAP in English 0722 GMT 17 Jan 92

Seoul, Jan. 17 (YONHAP)—Cement is likely to fall 2 million tons short of demand this year, the same amount the government plans to export to improve Korea's trade balance.

Production is projected at 43 million tons, which is already short of the expected demand of 43.19 million tons, according to cement industry sources.

If the government follows through on its plan, the shortage will be worst in the second quarter, when cement is more badly needed than at any other time, they said.

In the first quarter, 945,000 tons of cement can be saved, but the shortage is expected to be 1.42 million tons in the second quarter, 1.62 million tons in the third and 2.19 million tons in the fourth.

The Construction Ministry wants to import as much as 2 million tons to prevent a repeat of the shortage that swept the nation last year, but the Trade and Industry Ministry is resisting this plan, they said.

Deficit More Than $1.5 Billion

SK2101124192 Seoul YONHAP in English 1211 GMT 21 Jan 92

[Text] Seoul, Jan. 21 (YONHAP)—South Korea's trade deficit reached 1,921 million U.S. dollars on a customs clearance basis in the first 20 days of January, heading for an all-time monthly record, the Trade and Industry Ministry said Tuesday.

The figure was up 30 percent from 1,478 million dollars during the same period in the same month last year when the shortfall hit the monthly high.

Exports for the month through Monday are up 12.4 percent over the same period last year at 2,373 million dollars, and imports are up 19.6 percent at 4,294 million dollars.

The deficit is expected to grow further, with Hyundai Motor's labor dispute resulting in a serious damage in automobile exports planned for this month which were projected at 25,000 cars worth 160 million dollars.

Arrivals of letters of credit were valued at 1,816 million dollars, dipping 1.7 percent from a year ago and casting doubts on the exports to follow in two or three months.

BCCI Bankruptcy Hits Exporting Firms

SK2101034592 Seoul THE KOREA TIMES in English 21 Jan 92 p 10

[Text] The bankruptcy of the Bank of Credit & Commerce International (BCCI) has put a financial strain on 30 Korean exporters.

As many as 30 local exporters have not been able to recover money from BCCI's Seoul branch, which was forced to shut down in July last year.

They opened export letters of credit (LCs) with the Seoul branch but liquidators have frozen all assets and liabilities of the branch.

As these exporters are unable to recover money from BCCI's Seoul branch, they cannot repay their debts to their creditor banks. A few small-sized firms are said to be in a serious financial pinch.

Liquidators To Repay Creditors, Depositors

SK2201094892 Seoul YONHAP in English 0901 GMT 22 Jan 92

[Text] Seoul, Jan. 22 (YONHAP)—Liquidators of the Bank of Credit & Commerce International's [BCCI] Seoul branch, shut down in August, will pay creditors and depositors some 15 billion won (19.63 million U.S. dollars) Feb. 10-13.

The liquidators will return all principal of 100 million won or less and half of principal over 100 million won. Interest will be calculated from the contract date to the repayment date at an agreed rate.

What liquidators call the first-phase repayment will cover some 900 deposit accounts, except for 20-odd big accounts, or 15 billion won of 22.9 billion won in deposits.

There would be no problem compensating depositors if loans were retrieved, the liquidators said.

They said they decided to return only part of deposits because the repayment guarantee of the branch amounted to 23.3 billion won at the end of December.

Deposits of diplomatic missions and deposits in the Korean won will be repaid Feb. 10 and deposits in foreign currency Feb. 11.

BCCI opened its Seoul branch on Nov. 8, 1977, and the branch's assets were frozen July 6 after the Luxembourg-based bank was found involved in illegal arms deals.

Deputy Premier Announces Inflation Control Focus

SK1801064092 Seoul YONHAP in English 0254 GMT 18 Jan 92

[Text] Seoul, Jan. 18 (YONHAP)—Bringing inflation under control is the government's No. 1 priority this year and so rises in public utilities charges will be limited to 5 percent, retail prices to 9 percent and wholesale prices to 4 percent, Deputy Prime Minister Choe Kak-kyu said Friday.

Choe, who is also economic planning minister, called on government agencies to focus their administrative power on controlling prices in the first quarter of the year, when inflation is feared to accelerate due to Lunar New Year holidays and general elections.

During the meeting of economic ministers, it was decided that the price of beef will be allowed to go up within the limit of 5 percent and that of pork within 9 percent.

The price of liquefied petroleum gas will be frozen despite inflationary factors to stabilize overall energy prices. To encourage competition in the petroleum industry, the government will enforce a requirement that gas stations prominently display the brand names of their products in the second quarter.

Minimal hikes will be allowed for coal and coal briquets.

Restaurants may raise prices up to 9 percent, but not if they increased the price less than one year ago.

Postal fees, train fares and other public charges will be increased a maximum 5 percent. Bus fares and other fees for privately operated means and facilities for public use will be allowed to go up less than 10 percent.

The meeting was attended by 10 ministers from the home, finance, agriculture, forestry and fisheries, and health and social affairs ministries, and top officials from the Seoul city administration, the office of national tax administration and the Bank of Korea.

To stabilize the prices of industrial products, daily necessities and raw materials will be put under special government management in February.

Up to five-percent hikes will be permitted for rents in commercial buildings if the previous hike was one to two years before. Hikes will not be allowed if the previous increase was made less than one year ago. For commercial buildings whose rents were raised more than two years ago, hikes of less than 10 percent will be allowed.

To stabilize the prices of agricultural, livestock and fisheries products, the government will extend until the end of the year the emergency import system, under which products in urgent need can be imported without the recommendation of the chief of a local producers' association.

The government will increase the fund to stabilize the agricultural industry from 759 billion won last year to

843 billion won this year, and will separately operate a 30 billion-won fund for emergency imports.

Import gates for agricultural and fisheries products will be diversified. At present, such imports are the monopoly of the agriculture and fishery marketing corp., but the office of supply and the national agricultural cooperatives federation will be additionally named for such imports.

To boost rice consumption, the government will increase the supply of rice in 4-kilogram and 8-kilogram bags. Currently, 20-kilogram bags are most common.

To prevent sharp price fluctuations, the government will secure a certain amount of beef, sesame, peanuts, beans and powdered milk.

As for Alaskan pollack and a few other fisheries items whose prices are feared to sway, the government will increase imports from North Korea and other countries. Last year, 9,000 tons of fisheries products were imported from North Korea, but the amount will be more than doubled to 20,000 tons this year.

Export of apples, pears and other produce will be reduced to meet domestic demand.

City and provincial administrations will be empowered to control prices by scrutinizing the books of shopowners who refuse to sell their goods for the purpose of profit-taking, cornering the market or hoarding.

The government will continue to restrict, on a selective basis, the construction of commercial buildings. The restriction was to have been lifted in July.

UN Plans Northeast Asian Environmental Project

SK2101042592 Seoul THE KOREA HERALD in English 21 Jan 92 p 2

[Text] A $3.7 million project for environmental protection in Northeast Asia, in which China, Mongolia and South and North Korea will participate, is being pushed by the U.N. Development Program (UNDP), the Foreign Ministry said yesterday.

The U.N. agency is also working on the formation of a regional inter-governmental body to promote environmental protection among the four countries.

A ministry official said the two projects are expected to be formally adopted in an Asian regional meeting of the U.N. body which opened in Manila yesterday. The meeting will also decide details including the budget, he said.

He said the four countries concerned agreed in principle on the project on joint environmental study during a UNDP meeting in Ulaanbaatar in July 1991, which focused mainly on the Tumen River development project in North Korea.

The concrete programs to be covered in the joint environmental project include the development of technology to improve the energy efficiency of stoves, exchange of information on air pollution in cities, and studies on transboundary air pollution, clean-coal technology and coal gasification, the official said.

The budget, tentatively set at $3.7 million, is subject to review at the Manila meeting, he said. The Global Environment Facility (GEF), a $1.5 billion fund jointly formed by the World Bank, the U.N. Environment Program (UNEP) and UNDP for global environmental protection projects, is expected to render financial support to the project, according to the official.

Under the plan, UNDP representatives residing in the four countries are to begin drawing up detailed programs in March and submit the report to the UNDP headquarters by May, he said.

The agency will put into force the project in July in cooperation with the countries, the official said.

The Korean Government likes to discuss with China the issue of migration of air polluting materials from China to Korea in the course of carrying out the project, he said.

Concerning the intergovernmental environmental body among China, Mongolia and South and North Korea, the official said the four countries have already agreed on its necessity.

Government Appoints Ambassadors to Baltic States

SK1801031792 Seoul YONHAP in English 0111 GMT 18 Jan 92

[Text] Seoul, Jan. 18 (YONHAP)—The government on Saturday appointed Ambassador to Finland Yun Ok-sop to be concurrently accredited to Estonia.

Ambassador to Sweden Choe Tong-chin was named to be envoy concurrently to Latvia. Kim Se-taek, ambassador to Denmark, will also serve as envoy to Lithuania.

South Korea established formal ties with the three Baltic states last October.

Kong No-myong Named Head of National Security

SK1701014192 Seoul YONHAP in English 0102 GMT 17 Jan 92

[Text] Seoul, Jan. 17 (YONHAP)—Kong No-myong, ambassador to the Commonwealth of Independent States, was named chief of the Institute of Foreign Affairs and National Security (IFANS) Friday.

He replaces Yim Tong-won, who became vice unification minister.

Kong, 59, graduated from Seoul National University and joined the Foreign Ministry in 1958. He served as assistant minister for political affairs and consul-general in New York before becoming the first South Korean ambassador to the former Soviet Union.

Hong Sun-yong, ambassador to Malaysia, is tapped as Kong's successor.

Education Minister Fired; Replacement Named

SK2201094592 Seoul YONHAP in English 0856 GMT 22 Jan 92

[Text] Seoul, Jan. 22 (YONHAP)—President No Tae-u fired Yun Hyong-sop as education minister Wednesday and replaced him with former Seoul National University President Cho Wan-kyu, holding Yun responsible for the theft of college exam papers from a seminary Tuesday.

Loss of the papers by Seoul Theological Seminary in the satellite city of Puchon forced the government to put off the state-administered entrance tests for second-group colleges and universities to Feb. 10 from Wednesday.

A native of Seoul, Cho, 64, graduated from Seoul National University's department of biology and holds a doctorate. He taught at his alma mater and was president of the state-run school from August 1987 to August 1991.

Presidential spokesman Kim Hak-chun said No decided to dismiss Yun because of the serious impact the incident has had.

It is the first time that state-administered tests have been postponed due to the theft of exam papers.

New Planning, Management Officials Named

SK2001081992 Seoul YONHAP in English 0614 GMT 20 Jan 92

[Text] Seoul, Jan. 20 (YONHAP)—Han Myong-hwan, chief of the Home Ministry's Planning and Management Office, was appointed assistant minister and Yun Han-to, head of the provincial administration training center in Suwon, took his place Monday.

Graduated from Kungmin University's Law College in 1959, Han was vice mayor of Taegu city and then presidential secretary for administration affairs.

Reportage on Hyundai Labor, Management Dispute

Tensions Rise Following Clash

SK1701035692 Seoul YONHAP in English 0247 GMT 17 Jan 92

[Text] Ulsan, Jan. 17 (YONHAP)—Tension rose Friday at Hyundai Motor's Ulsan plants, stricken by a drawn-out labor dispute, after six non-union workers were severely injured in clashes with union workers.

Management officials tried to retake the main building by force, but were repelled by union workers brandishing steel pipes and throwing nuts and bolts. The injured were taken to nearby hospitals.

Some 1,500 union workers seized Hyundai's five plants and the main building Thursday night and staged an overnight sit-in, and blocked all roads leading to the buildings with trucks and cars.

Preparing for a police raid, the workers set up barricades several forklift trucks and steel beams, and armed themselves with firebombs, stones and kerosene. [sentence as received]

Police ringed the factories and persuaded union workers who were entering to return home. Some 120 riot troopers were stationed at three checkpoints after police received a tip that members of Chonnohyop [National Council of Labor Unions], a large dissident labor organization, had arrived in the town.

Ruling party spokesman Pak Hui-tae said in a statement that a labor dispute at Hyundai Motor created concern among people who wanted to see the economy recover.

Pak said the ruling party hoped the dispute would be settled by dialogue between labor and management, and demanded that laborers comply with the law and exercise restraint.

Police Issue Warnings

SK1701234992 Seoul YONHAP in English 0947 GMT 17 Jan 92

[Text] Changwon, Jan. 17 (YONHAP)—National Police Administrator Kim Won-hwan warned Friday he would order police troopers to break into the plants of Hyundai Motor Co. in Ulsan, which are now seized by unionized workers, if the management and labor union fail to settle their dispute peacefully.

Kim, who is here on a leg of inspections to provincial police adminstrations, told reporters that the union's demand for special bonuses was illegal as the incumbent collective agreement, which does not spell out such payment, is valid until March.

Kim said he would decide "sooner or later" on when to put policemen into the company after watching closely the development of situation there.

It was learned that Pak Su-yong, chief of the South Kyongsang Provincial Police, won Kim's approval for an operational plan under which 10,000 troopers are supposed to be mobilized.

Tension rose Friday morning when six non-union workers were injured in fierce clashes with unionized workers.

Meanwhile, representatives of the union and the management resumed negotiation Friday afternoon but failed to make a breakthrough in their bid to settle the dispute.

Union leaders put forth a six-point demand, including withdrawal of plans to put police troopers into the plants and revocation of management's decision to close the company, while the company side demanded an immediate resumption of routine works at the plants.

Negotiations Temporarily Resume

SK1901102492 Seoul YONHAP in English 1009 GMT 19 Jan 92

[Text] Ulsan, Jan. 19 (YONHAP)—Management and Labor Union of the Hyundai Motor Co. resumed negotiations to end their long drawn-out conflict Sunday afternoon with the unionists showing signs of backing down.

Amid persistent rumors that a police raid was imminent at the nation's largest automaker, the union sent an eight-point suggestion to the management in the morning, pledging the unionized workers would return to production lines as soon as the management restored company operation.

The unionists claimed that it was not true that they were planning to destroy major facilities in the company precincts. They invited a group of management officials and journalists into the company compound around noon, asking them to vindicate the charge.

Some 2,500 police troopers were additionally dispatched to the neighborhood of the auto company Sunday and the number would exceed 10,000 by the night, police sources said.

Inside the company, some 3,500 workers were making firebombs and building up barricades with heavy machinery and trucks against possible police attack.

In their latest suggestion, the union members asked the management to drop legal charges against their 24 colleagues. They said they would make up for the production loss by doing overtime work.

The Ulsan police continued to persuade the workers to stop the sit-in protest Sunday, distributing fliers from a helicopter, warning that a police raid would be inevitable if disorder and illegal acts prevailed further.

Hyundai motor has been entangled in a serious labor dispute since last fall when the incumbent union leadership was installed and was vetoed by the management.

The union workers have asked for a special year-end bonus of 150 percent of the salary, but the management refused to comply.

Tension mounted higher Friday after six non-union workers were severely injured in clashes with union workers in the course of the management officials' attempt to retake the main building from the union workers.

Prospects 'Turned Gloomier'

SK2001042892 Seoul YONHAP in English 0319 GMT 20 Jan 92

[Text] Ulsan, Jan. 20 (YONHAP)—The prospects for a settlement in the six-day old labor dispute at Hyundai Motor Co. turned gloomier Mnday as management and labor union refused to budge from their original demands.

Management and labor union have scheduled a meeting Monday afternoon for a crucial round of negotiations after the two sides reopened their talks Sunday, in which the union offered to return to work if the company accepts their eight-point suggestion.

A glimmer of hope faded quickly, however, when the union workers met Sunday night and reaffirmed their position on four main points of their demands.

They demand that the company withdraw suits against 24 union leaders, promise not to punish union leaders, modify the so-called no-work no-pay principle and readjust on payments according to productivity.

But management, noting that the union was not making any concession, has demanded that the workers remove barricades they had built around the company compound and return to work before they hold further talks to resolve their differences.

One company executive told reporters that management will do its utmost to settle the dispute at Monday's meeting although he expects a "rough going." But he reiterated that the union workers, first of all, will have to restore normalcy to the company.

Management appears to show a tough attitude, some observers say, as the Labor Ministry and the prosecutor-general's office have decided to take an uncompromising policy toward what they regard was illegal labor disputes. With this case, authorities apparently want to set a tone for labor negotiations in other companies during the so-called spring labor offensive for this year, they say.

As if to show off their determination to crack down the sit-in strike, authorities have mobilized more than 10,000 policemen and were threatening to storm the plants which had been fortified by thousands of union workers with new cars and office furniture.

The union workers also threatened to spread their "struggle" to other companies throughout the country should authorities try to remove them by force. As of Monday morning, witnesses said there were some 3,000 union workers ready to fight police troops with steel pipes and firebombs.

Police Plan To 'Storm' Plants

SK2101064092 Seoul YONHAP in English 0519 GMT 21 Jan 92

[Text] Ulsan, South Korea, Jan. 21 (YONHAP)—The police plan to storm the Hyundai Motor Co. plants, now occupied by some 2,000 militant workers, early Wednesday to remove the protestors and return the facilities to normal but will evacuate the neighborhood first.

Police sources said Tuesday the decision to use force to end the illegal strike was made after negotiations between management and labor over a special bonus and other issues had deadlocked.

Evacuation of the neigborhood was necessary because of the extreme danger posed by 24 tanks containing 5 million liters of gasoline, solvent and thinner scattered around the factories and hazardous materials such as liquefied petroleum gas and ammonia in the paint shop, the sources said.

The police moved their operational headquarters from the Ulsan Police Station to a building near the car company's main gate and officers are continuing efforts to persuade workers to stop their protests by dropping leaflets from helicopters.

All members of the provincial and city police forces as well as administration officials were put on emergency round-the-clock duty Tuesday.

The Ulsan district labor office began an effort to prevent union workers at other Hyundai Group subsidaries from joining their colleagues at Hyundai Motor.

Chances are slim for the dispute at the automaker to spread to other group companies as hyunchongnyon, an association of union workers at Hyundai subsidiaries, decided Monday not to join hands with strikers at the car factories.

Negotiations were scheduled to continue Tuesday, but prospects were dark.

A management spokesman said talking was meaningless as long as the union failed to make suggestions based on normal operation of the company.

Rumors that union leader Yi Hon-ku and other union staff sneaked out of the Hyundai compound at around 2:30 a.m. Tuesday were dismissed as groundless by the union.

A union spokesman told reporters Tuesday morning that Yi was taking part in a sit-in and he would ask management to resume negotiations.

The number of workers holed in the plants has decreased little by little during the past six days and there are currently only 2,000 workers there. Masked and armed with iron pipes, they are guarding 13 entrances to the company facilities ringed by a police cordon.

Barricades of cars, buses and heavy equipment are being built around the main entrance. A two-meter-high, 15-meter-long wall of sand bags is going up around another entrance.

The union is reorganizing workers into groups of three to five to repel a police raid. Union leader Yi and other staff are said to be planning demonstrations at three points outside the company gates.

Arrest of Union Activists Ordered

SK2101035092 Seoul THE KOREA TIMES in English 21 Jan 92 p 3

[Text] The Prosecutor General's Office (PGO) yesterday ordered an immediate arrest of 27 union activists for violating labor-related laws.

The PGO's order came as labor disputes are spreading to several large-scale workplaces across the country, following the prolonged confrontation between labor and management at Hyundai Motor Co. in Ulsan, Kyongsangnam-to.

Besides Hyundai, several other companies including Hyosung Industries Co. and Daelim Motor Co. are suffering from labor disputes.

Most of the labor activists on the wanted list were accused of master-minding illegal labor disputes, thus violating the Trade Union Law, prosecutors said.

The Masan District Prosecutor's Office told police to expedite the arrest of five union staffers of Hyosung Industries Co.

Hyosung's unionized workers initiated a labor dispute recently and prosecutors branded it as an illegal labor action.

Prosecutors aim to root out illegal labor disputes prior to spring wage negotiations which have accompanied labor disputes every year.

Strike Ends Following Police Raid

SK2201022392 Seoul THE KOREA TIMES in English 22 Jan 92 p 3

[Text] Ulsan, Kyongsangnam-to—The high-pitched tension at the plant of Hyundai Motor subsided last night as radical trade unionists ended their strike in the midst of a scheduled predawn police raid.

According to the police, the striking unionists of the nation's largest auto-maker voluntarily dispersed around 10 p.m. with the disappearance of some 10 workers sanding guard at the main gate of the plant.

In the meantime, the Hyundai management said that the trade union office was deserted.

However, they were looking for some unionists who might still be inside the plant.

The voluntary disbandment of unionists, which avoided the imminent police storm-in, came a week after the management locked out the plant.

But it is still uncertain whether the trade unionists terminated their to strike because they have not yet given up their demands to the management.

The Hyundai plant has been in turmoil since the end of last year when the labor unionists confronted the management over the size of their additional bonuses.

The unionists have been calling for the payment of extra bonuses equivalent to 150 percent of their monthly wages against 50 percent suggested by the management.

The police said yesterday that combat troops, helicopters and maritime police boats would be mobilized into the plant at 5 a.m. today to drag out the striking unionists.

Deputy Kyongsangnam-to police chief Kim Kyo-un explained that there was no alternative but to resort to force in ending the disturbance since there was no indication that it would be settled through dialogue.

Negotiations between union and company representatives, which continued after the closure of the plant facilities last Wednesday, repeatedly ended in failure, mainly due to the hard-line positions of the two sides.

The management insisted that the demands of the union would be given due consideration only after production was normalized and refused to accept any concessions.

Union leaders proposed last Sunday that they would settle for a special bonus of 100 percent of monthly salaries instead of the original 150 percent and that leading unionists sought by police would surrender if the police agreed not to initiate a raid.

Company negotiators, however, turned down the offer and said they would not, under any circumstances, succumb to pressure from the union that was outside the confines of related laws and regulation.

Although requested strongly and even threatened by union leaders to call off the raid, the management is reportedly not considering contesting the police decision.

The worsening situation, coupled with massive protests by residents calling for a peaceful and immediate end to the dispute, has apparently prompted the police decision to launch the raid, observers said.

According to deputy police chief Kim, some 12,000 police troops would be deployed along with 10 units of helicopters and six maritime police boats.

Hyundai To Resume Operations

SK2201120792 Seoul YONHAP in English 1012 GMT 22 Jan 92

[Text] Ulsan, Jan. 22 (YONHAP)—Managers of Hyundai Motor Co. decided Wednesday to resume normal operation of its car plant here by Monday.

They also decided to go to law against the labor union in search of compensation for property damages incurred during union workers' week-long seizure of the plant. The managers estimated the damages at about 20 billion won.

Over 1,000 non-union office workers worked all day to get ready for the resumption of production, removing dangerous articles in the plant.

Meanwhile, about 1,000 union workers gathered at a market near Pangeo-dong at around 11 a.m. and staged a march along a 10-km-long street here, chanting slogans denouncing police intervention, but voluntarily broke up at 3 p.m. There were no clash with police during the march.

They had abruptly decided to end their seizure and left the compound voluntarily around 9 p.m. Tuesday, hours before 12,000 police troops were to launch a massive land, sea and air operation to evict them from the sprawling complex of the nation's largest automaker.

While holding a rally Wednesday afternoon, protesters, some of them obviously demoralized, had disputes among themselves over whether to continue their demonstrations.

Their demonstrations were relatively peaceful as the number of participants has dwindled to 600 persons and police troops did not interfere with them, the witnesses said.

Consequences of Hyundai Labor Dispute Reported

Exports Drop

SK2201083392 Seoul YONHAP in English 0153 GMT 22 Jan 92

[Text] Seoul, Jan. 22 (YONHAP)—Efforts of Hyundai Motor Co. to diversify its overseas markets from the United States and Canada to other parts of the world hit a snag with a suspension of shipments because of a prolonged labor dispute in the company's Ulsan plants, industry sources said Wednesday.

Hyundai, which accounts for two thirds of South Korea's automobile exports, has made efforts to diversify its export markets to Europe, Middle East and Asia to overcome sluggish sales in the United States and Canada.

Hyundai has 59,000 to 60,000 cars in stock in the United States and Canada that would be cleared in four months but has few inventories in the new markets.

It failed to ship 3,100 cars to the European market last month and the figure would reach 6,530 cars this month.

Hyundai has unfulfilled orders for some 8,000 cars from Germany, where it entered last September. It failed to ship 660 cars last month and has been unable to ship 3,200 cars planned for this month, the sources said.

Hyundai also planned to transport 1,300 cars to Italy in January but has sent only 150 cars as of Tuesday. Only 120 Hyundai cars have gone to Greece this month out of the planned 1,100 cars.

Exports to the East European countries have also been halted. The company planned to ship 3,700 cars to East European countries in December and January but only 1,050 cars have been sent so far.

It exported only 50 cars to East European countries out of 1,700 cars and no cars have been forwarded to the Middle East where Hyundai planned to send 1,000 cars this month.

Only 10 cars were sent to the Asian region where 600 cars were planned to be sent.

Shipments to Thailand Stopped

SK2101063092 Seoul YONHAP in English 0257 GMT 21 Jan 92

[Text] Bangkok, Jan. 21 (YONHAP)—The debut of Hyundai cars in Thailand could be the South Korean automaker's swan-song here as a strike in Korea has prevented the shipment of automobiles to customers.

Hyundai is the first Korean motor company to make inroads in Thailand and Hyundai cars go on sale here Feb. 1.

A ranking official at United Auto Sales, the importer for the Hyundai cars, said Monday [20 January] his company would deliver 200 cars to customers Feb. 1 as scheduled but he had no idea when additional cars would arrive.

United has orders for 600 cars and he said he was worried of difficulties in securing buyers if Hyundai failed to keep its promise to Thai clients from the beginning.

He said rival carmakers, including the Japanese, would block Hyundai's move to expand into Thailand if the strike in Korea is drawn out.

United will also assemble Hyundai cars and construction of an assembly plant will be completed by the end of the year. It plans to put together 500 cars a month from kits supplied by Hyundai.

Costs Reach 1 Trillion Won

SK2201083692 Seoul YONHAP in English 0629 GMT 22 Jan 92

[Text] Seoul, Jan. 22 (YONHAP)—The labor dispute at Hyundai Motor Co. in Ulsan has cost Korean industry an estimated 1 trillion won (1.31 billion U.S. dollars), business sources said Wednesday.

Some 63,657 cars would have been built between Dec. 17 and Jan. 21, but were not due to the dispute. Hyundai has lost 427.1 billion won in domestic sales and 84 billion won in exports (18,220 vehicles) so far this month, a company spokesman said.

The cost to some 2,000 parts suppliers is estimated at 261.7 billion won and other collateral damage from the dispute is tallied at 144 billion won.

The worst of the Hyundai labor conflict, which sent the nation's economy reeling, seemed to be over late Tuesday, when workers ended their occupation of Hyundai's sprawling car plant in Ulsan.

"Losses are likely to increase because it will take at least three days to resume work and another week until the production lines get back to normal operations," a company official said.

Hyosung Industries Sees Labor, Management Dispute

'Lockout' Announced

SK2101044192 Seoul THE KOREA HERALD in English 21 Jan 92 p 3

[Text] Hyosung Heavy Industries in the southern city of Changwon announced an indefinite lockout Sunday as negotiations between labor and management ruptured.

In a meeting Saturday night between the company president and union leaders, an agreement was reached on the resumption of company operations.

But a 10-member ad hoc union committee refused to comply, demanding that the management should first discard its plan to file a suit against union leaders.

Some workers staged an overnight sit-in Sunday night and braced themselves for a possible police raid with paint thinner and kerosene.

About 1,000 unionized workers at the company began a work slowdown Jan. 10 demanding the reinstatement of former union chief Hong Yo-pyo.

Meanwhile, some 40 unionists of Daelim Motor Co. reported to work, but continued their work slowdown for 16 days.

Concessions Made, Operations Resume

SK2201120992 Seoul YONHAP in English 1046 GMT 22 Jan 92

[Text] Changwon, South Korea, Jan. 22 (YONHAP)—Union workers at Hyosung Heavy Industries Co. here agreed Wednesday to return to work on Thursday, ending a two-week confrontation over the reinstatement of 15 workers dismissed in connection with earlier protests.

Management accepted a demand for "maximum" consideration for the 15 sacked workers and agreed to indefinitely suspend any action against 46 other workers the company had sought to punish for their roles in the latest strike.

After signing the agreement, three key leaders of the union voluntarily turned in themselves to a nearby police station along with the 15 dismissed workers to respond to police questioning.

The union workers went on strike on Jan. 10 after the company banned the presence of dismissed workers at the union office. The company shut down its plant on Monday in retaliation.

Finance Ministry Notes Customs Revenue Increase

SK2101055892 Seoul YONHAP in English 0538 GMT 21 Jan 92

[Text] Seoul, Jan. 21 (YONHAP)—Customs revenue grew 24.1 percent to 3,431.5 billion won (4.5 billion U.S. dollars) last year, from 2,765.4 billion won in 1990, the Finance Ministry said Tuesday.

A surge in imports and the Korean won's weakness against the U.S. dollar were the causes, the Ministry said.

Total annual imports amounted to 81.6 billion dollars, up 16.9 percent from 69.8 billion dollars in 1990. The dollar averaged 736 won, up 3.5 percent from 711 won a year earlier.

"Korea imported mainly capital and consumer goods on which higher tariffs apply and imports of home consumer goods, which don't benefit under a drawback system, surged as well," a Ministry official said.

Firms Restructure Businesses To Adapt to Changes

SK2001042092 Seoul YONHAP in English 0258 GMT 20 Jan 92

[Text] Seoul, Jan. 20 (YONHAP)—A realignment of South Korean enterprises is under way, with the largest business groups moving on to futuristic projects and the second largest groups advancing into what used to be the domains of the largest conglomerates, industry sources say.

The state-run Pohang Iron and Steel Co. (Posco) has decided to diversify from steel manufacturing to computer, information and communications, chemistry, machinery, new materials and steel furniture. The rate of non-steel output will grow to 30 percent of the total by the year 2000.

To meet this goal, according to the sources, Posco is developing and selling computer software in cooperation with its subsidiary, Posdata, and Sambo Computer, and it is making all-out efforts to participate in the government-promoted mobile communication system projects.

The Korea explosives group plans to increase the share of non-explosives such as medicines, dyeing agents, additives and precision machinery from less than 10 percent to 59 percent by 2000, the sources say.

Ssangyong Cement Industrial Co., a major subsidiary of the Ssangyong Group, plans to raise the share of ceramics, ferrite, construction materials and auto parts to half the sales target of 2 trillion won by 2000.

The Sunkyong Group, which made an inroad into the financial business late last year by taking over a securities company, has announced participation in the mobile communications projects. Its main emphasis this year will be expanding overseas operations.

Tongyang Nylon Co. and Kolon are moving to become general chemical companies.

Cement producers are pushing ahead with the development of new materials and electronic apparatus. Popular among medium-sized garment firms is the leisure sector, a ground of heated competition among large groups.

The Sunkyong, Posco, Kolon, Ssangyong, Tong-yang and Dongbu Groups are competing in the mobile communications industry because the main shareholders of big groups manufacturing telecommunications equipment cannot take part in the mobile communications system projects, according to the sources.

Hanil Synthetic Fiber recently took over Shilla Investment and Finance Corp., Dongbang Corp. is setting up a securities firm in a joint venture with a foreign company, and Kohap Ltd. is close to opening an insurance firm in a joint venture with New York Life.

Tong-yang Cement is expanding production of electronic home appliances from 56 billion won in output last year to 85 billion won this year. Hanil Cement is refurbishing Seoul Land, an amusement park on the southern outskirts of Seoul that it took possession of in 1988, and is trying to make inroads into the auto parts industry.

Dongbu Steel Co. plans to make its machinery department, which it opened in 1990, into a separate corporate body when its sales exceeded 10 billion won. Dongbu is also studying four to five new ventures.

For the nation's four largest groups—Samsung, Hyundai, Lucky-Goldstar, and Daewoo—the focus will be on rationalizing management of their major subsidiaries and developing sophisticated products of high added value.

Samsung will make efforts to develop non-polluting energy, electronic defense industry, new media products and 64 mega D-RAM.

Samsung Shipbuilding Heavy Industry is intent on building ferries and carriers of liquefied natural gas (LNG).

Daewoo is seeking chances to leap forward on the occasion of Chairman Kim U-chung's visit to North Korea.

Hyundai Heavy Ind. Co. has begun to build LNG carriers. Hyundai Wood Ind. Co. will manufacture plywood with timber from the former Soviet Union.

The task of the four groups is narrowing the technology gap between Korea, and Japan and other advanced countries.

Oil Refineries Increase Gasoline Sales in 1991

SK2101060892 Seoul YONHAP in English 0150 GMT 21 Jan 92

[Text] Seoul, Jan. 21 (YONHAP)—South Korea's oil refineries sold 29 million barrels of gasoline on turnover of 2.2 trillion won (2.88 billion U.S. dollars) in 1991, the refinery industry said Tuesday.

Daily turnover averaged 6.19 billion won and 79,670 barrels, up 22.6 percent from 65,000 barrels and 53 percent from 1.44 trillion won in 1990, the industry said. Gasoline prices jumped Nov. 25, 1990, from 373 won to 477 won a liter.

The major consumers were cars, each of which used 882,400 won of gasoline last year. Korea had 2.5 million cars in 1991, up from 2.07 million in 1990.

Tax revenue, including value-added tax and special excise tax, surpassed 1 trillion won for the first time at 1.48 trillion won, up 56.8 percent from 668.4 billion won in 1990. The increase was due largely to tax hikes in July last year.

Brunei, Malaysia & Singapore

Brunei

Jordan's King Husayn Arrives on Working Visit

JN1801143092 Amman Radio Jordan in English 1200 GMT 18 Jan 92

[Text] His majesty the king arrived in Brunei early today on a brief working visit. Welcoming his majesty at the airport was Brunei's Sultan Hassanal Bolkiah and a number of high-ranking officials.

His majesty will hold talks with the sultan on bilateral relations and issues of mutual interest. Accompanying his majesty are Chief of the Royal Court 'Adnan Abu-'Awdah and his majesty's military secretary Prince Talal Bin-Muhammad.

Meets With Sultan

JN1801210992 Amman Jordan Television Network in English 2000 GMT 18 Jan 92

[Text] His majesty the king held talks in Brunei with Sultan Hassanal Bolkiah on bilateral relations between the two countries and issues of mutual concern. His majesty flew into Brunei on a brief working visit earlier this morning. The sultan and members of his government were at the airport to greet his majesty. The king is accompanied on the visit by the Chief of the Royal Court 'Adnan Abu-'Awdah, and his military secretary, Prince Talal Bin-Muhammad.

Malaysia

Agreement Reached With SRV on Spratly Islands

BK2201094192 Kuala Lumpur BERNAMA in English 0841 GMT 22 Jan 92

[Text] Kuala Lumpur, Jan 22 (OANA-BERNAMA)—Vietnam and Malaysia have already resolved problems pertaining to the Spratly Islands claimed by both countries, Vietnamese Prime Minister Vo Van Kiet said Wednesday. He said that a number of problems which both countries faced due to the conflicting claims over the territory had been resolved in a "very good way."

Vietnam and Malaysia had also agreed to jointly develop the areas claimed by both countries, he told reporters after calling on Finance Minister Anwar Ibrahim.

Kiet, who is on the third day of his four-day official visit to Malaysia, however declined to elaborate on the matter.

Malaysian Foreign Minister Abdullah Ahmad Badawi said Tuesday after meeting his Vietnamese counterpart Nguyen Manh Cam here that both countries had agreed to jointly develop the Spratly Islands and parts of the continental shelf claimed by both countries.

"It is better to work together than spend our time and energy quarrelling over the islands," Abdullah said.

The Spratlys, also being claimed by China, Taiwan, the Philippines and Brunei, cover an area of 33 islands and over 400 islets and atolls. The area is believed to contain large deposits of oil and gas.

Malaysia's territorial claims cover the islands and atolls south of the Spratlys, including the Layang Layang atoll, where Malaysian troops are stationed and which is being developed into a tourist attraction. Vietnam has troops on Amboyna Cay.

Five-Nation Defense Pact Under Review

BK2101114392 Kuala Lumpur BERNAMA in English 0942 GMT 21 Jan 92

[Text] Kuala Lumpur, Jan 21 (OANA-BERNAMA)—Malaysia is reviewing the Five Power Defence Arrangement (FPDA), especially in the field of training, to meet current needs, Defence Minister Najib Razak said Tuesday.

Speaking to reporters here, he said the review was necessary to ensure full utilisation of the facilities accorded by the arrangement among Malaysia, Singapore, Australia, New Zealand, and Britain.

He said FPDA should be enhanced for mutual benefit, especially in bilateral training among member countries.

Najib said Britain had stated that it would use an aircraft carrier in future joint exercises under the FPDA.

He said Malaysia and the United States would also streamline their Bilateral Training and Education Cooperation (BITEC) programme.

On bilateral exercises among ASEAN member countries, he said it was appropriate that the existing exercises be upgraded in line with the present defence needs.

Singapore

Joint Naval Exercise With Brunei Begins 20 Jan

BK2101123892 Singapore THE STRAITS TIMES in English 21 Jan 92 p 3

[Text] The navies of Brunei and Singapore are holding a nine-day joint exercise in the South China Sea.

Exercise Pelican, which began on Sunday, will see both sides taking part in seamanship drills, weapon firing and naval manoeuvres.

The Republic of Singapore navy (RSN) is hosting this year's exercise, which will be supported for the first time by a Republic of Singapore Air Force E-2C Hawkeye early warning aircraft.

The 13th annual exercise involves about 300 officers and men from six ships. It will end next Monday.

The bilateral exercise was started in 1979 to improve cooperation and understanding between the two countries.

It also reflects the close ties between their armed forces.

Major Tay Chee Hong of the RSN is the task group Commander, while Major Joharie bin Haji Metussin of the Royal Brunei Navy (RBN) is the Deputy Commander.

Major Joharie said that the series of exercises so far had helped promote "a lot of mutual understanding and co-operation" between the two navies.

He added: "Being a small navy, we believe we have a lot to learn from the Singapore navy."

He was speaking to reporters at the Pulau Brani Naval Base yesterday after an encounter exercise with RSN ships on Sunday night in the South China Sea.

Together with other RBN officers, he later made a courtesy call on the RSN Fleet Commander, Colonel Hoon Sian Hock.

The next Exercise Pelican, to be hosted by the RBN, will be in November.

Cambodia

'Fierce' Khmer Rouge Attack Noted; 13 Dead

BK2101075192 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 21 Jan 92

[Text] Diplomats in Phnom Penh say the Khmer Rouge fired mortar shells on various villages in Kompong Thom Province, killing 13 Cambodian villagers and forcing another 10,000 to flee. Diplomats say this attack has prompted envoys of the five permanent members of the UN Security Council [UNSC] to appeal for the quick deployment of UN forces in zones affected by the conflict.

The five permanent members of the UNSC—namely, Britain, France, the United States, China, and Russia—and Red Cross staff returning from the fighting zone yesterday said the shelling continued until Tuesday morning.

Jean-Jacques Fresard, head of the ICRC [International Committee of the Red Cross] in Phnom Penh, said it has been reported that at least 13 civilians were killed and 18 others seriously wounded during the fierce artillery attack on 25 villages around Stoung and Kompong Svay district seats in Kompong Thom Province from 6 to 7 January 1992. Fresard said another 14 Cambodian citizens suffered slight injuries. Fresard said this attack is the first serious violation of the cease-fire since the Khmer Rouge and two noncommunist resistance groups signed the peace agreement with the communist regime in Phnom Penh in October 1991 to officially end the more than 13-year-old war in Cambodia. This attack was fierce, burning down villages and forcing about 10,000 civilian Cambodians to flee their homes.

Sihanouk Denounces Attack

BK2201140592 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 22 Jan 92

["Statement by His Royal Highness Prince Norodom Sihanouk;" dated 22 January—read by announcer]

[Text] The day before yesterday and yesterday I learned with great sadness about the armed aggression against innocent and peace-loving children in a number of provinces in Cambodia, particularly in Kompong Thom Province.

Innocent and peace-loving civilians were killed; another 10,000 had to leave their villages and communes, victims of attacks or mortar shelling. I vehemently denounce those who have committed such acts against the children, innocent and peace-loving civilians.

I insistently propose that those people stop committing forever acts which threaten the peace of the country and our beloved compatriots. All clauses of the Cambodian peace agreement, signed in Paris on 23 October 1991, should be fully respected. Those who violate this peace agreement, which guarantees peace and national unity with freedom to our Cambodian nation and people, are not genuine nationalists.
[Dated] Phnom Penh, 22 January 1992

Sihanouk Calls for UN Presence After Election

BK2201080692 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 22 Jan 92

[Text] On the morning of 21 January, His Royal Highness Prince Norodom Sihanouk, head of state of Cambodia and chairman of the Cambodian Supreme National Council, and his wife, presided over a demonstration to clear and destroy mines organized by the UN Advance Mission in Cambodia, UNAMIC, in Kompong Speu Province.

Also present on the occasion were His Excellency Loridon, high-ranking coordinating military officers of UNAMIC, military representatives of all Cambodian parties, and representatives of the five major powers.

At the end of the mine-clearing demonstration, HRH Prince Norodom profoundly thanked UNAMIC for its efforts to clear and destroy mines saying this is a major contribution leading to peace and repatriation of Cambodian refugees. The prince also said that Cambodia needs UNAMIC to keep the country safe and for the sake of democracy. He also proposed that the United Nations maintain its presence in Cambodia even after the elections.

He further added that everyone should cooperate to stop the cease-fire violations.

Receives Red Cross Representative

BK1901065892 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 19 Jan 92

[Text] His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council of Cambodia, received Mr. Jean-Jacques Fresard, permanent representative of the International Committee of the Red Cross [ICRC] in Phnom Penh, at Khemarin Palace on the evening of 17 January.

Speaking to Mr. Fresard, His Royal Highness Prince Norodom Sihanouk said he had asked all the Cambodian parties to agree with him to accept the newly released prisoners who belonged to their respective groups and to urge those inmates to return to their camp so they could reunite with their families. The samdech also requested the ICRC, whose representative is permanently based in Phnom Penh, to help transport those released people to their home villages.

Receives New Singapore Envoy

BK2001070692 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 20 Jan 92

[Text] On the evening of 18 January at the Khemarin Palace, His Excellency [H.E.] Chin Siat Yoon, Singapore's envoy, presented his credentials to His Royal Highness [HRH] Prince Norodom Sihanouk, Cambodia's head of state and chairman of the Supreme National Council [SNC].

H.E. Chin Siat Yoon is Singapore's ambassador accredited to Bangkok and has been appointed diplomatic envoy to Cambodia.

Singapore is the fourth among the ASEAN member countries—Thailand, Malaysia, and Indonesia—which have established diplomatic envoys in Cambodia.

After receiving the credentials from Singapore's diplomatic envoy, HRH Prince Norodom Sihanouk said that after returning to Phnom Penh, he had led the SNC in actively implementing the Paris peace agreement on Cambodia.

The prince appealed to the UN secretary general to quickly send the UN Transitional Authority in Cambodia to Cambodia to accelerate implementation of the Paris agreement on Cambodia.

Son Sann To Launch Political Party Soon

BK2201011192 Bangkok THE NATION in English 22 Jan 92 p A4

[By Yindi Loetcharoenchok]

[Text] The Cambodian resistance faction led by former prime minister Son Sann will officially launch a political party when it hosts its first congress meeting in Phnom Penh within a few months.

The Buddhist Liberal Democracy Party (BLDP), which derives from the political wing of the Khmer People's National Liberation Front (KPNLF), initially was set to meet in April. But whether the forum actually occurs depends on "the stability and political situation" in the Cambodian capital, said Ieng Muli, a senior KPNLF official in a recent interview.

The Phnom Penh meeting would be the third meeting of the Congress. The first two, in 1979 and 1981, took place in the liberated area on the Thai-Cambodian border.

The KNPLF's political and military leaders have long been in dispute over the Front's unsettled leadership. Its army wing, led by Gen Sak Sutsakhan, had in May 1990 established a separate political party called the Liberal Democracy Party (LDP).

Gen Sak last December called the party's second congress at Banteay Mean Rith to plan upcoming strategy and assess the political situation in Cambodia following the signing in October of the Cambodian peace agreement which ended the 13-year civil war between the tripartite resistance coalition and the Phnom Penh government.

In a subsequent press conference, Sak said his party would establish an office in Phnom Penh when situation there permitted the move. It has already sent an advance party to contact supporters and assess the overall situation.

Ieng Muli, a KPNLF member of the Supreme National Council (SNC), said his party expected to have representatives from overseas and the 150 districts across the country attend the meeting.

He said the party leader Son Sann, a national bank governor from 1955 to 1968, has since his return to Phnom Penh last November received a lot of supporters from the 19 provinces except Mondol Khiri and Rattana Khiri which the party had not yet contacted.

The BLDP platform and ideology have existed since its inception in 1979 and the party only had to transform it into a political party, according to Ieng Muli. Early this month he announced that the KPNLF would test Phnom Penh's commitment to a free press, a multi-party system and respect of human rights by distributing 2,000 copies of the Front's bulletin.

Cambodian analysts estimated that about a dozen political parties would spring up in Cambodia when the SNC started to function in the capital and after Phnom Penh kept its pledge to honour the peace accord which called for a liberal multi-party democracy.

Ranariddh Views Party Name Change, Chea Sim

BK2101072892

[Editorial Report] (Clandestine) Voice of the Khmer in Cambodian at 0430 GMT on 17 and 18 January carries a 45-minute "recent" interview with Prince Ranariddh, secretary general of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia, FUNCINPEC, and SNC [Supreme National Council] member, by a station correspondent.

After a lengthy greeting to the people and Buddhist monks, Ranariddh explains why he wants to change the name of his party from FUNCINPEC to the Sihanoukist Party and tells his listeners how Chea Sim objected to the idea. He says he wants to show the public that his party is a pro-Sihanouk party and not a party belonging to Sihanouk, explaining the difference between the terms Sihanoukist and Sihanouk's. He rejects a press report that he had a conflict with his father over the proposed party name change.

Answering the second question, the prince explains why he did not go to Phnom Penh to attend the 11 January SNC meeting, saying that his absence was a protest against Chea Sim's stance which runs counter to the principle of liberal democracy and noting that no one had raised any objection when Chea Sim took advantage of Sihanouk's popularity to enhance his own party's image.

He also gives as explanation to his absence the general feeling that Phnom Penh is not a neutral zone because of the constant pressure put on the capital by Chea Sim and his party, stressing that all factions must strictly and fully implement the 23 October Paris accord and the UN secretary general's representative. He adds that the UN Transitional Authority in Cambodia must be present in order for Phnom Penh to become a 100 percent neutral zone.

Ranariddh then reports that new UN Secretary General Ghali has already appointed his special representative to head the UN mission in Cambodia before proceeding to explain again that he did not have any difference of opinion with his father over the party name change and urging young intellectuals to ponder the need to respect the principle of liberal democracy.

Answering the third question, Ranariddh denies that neither he himself nor his party FUNCINPEC has created any obstacle to the process of implementing the Paris accord pointing out that during the second SNC session FUNCINPEC had the honor of being represented by none other than Sihanouk himself. He then again gives a lengthy greeting to the people and Buddhist monks, asking them to clearly understand his position.

Citizens Urged To Prevent, Curb Corruption

BK2201073392 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 21 Jan 92

[Political commentary: "Should the Corruption Be Condoned?"]

[Text] At present, in addition to the process toward peace, a serious problem confronting and causing anger among the Cambodian people is corruption in the Phnom Penh regime.

Corruption was practiced in Cambodia right after the birth of this regime at the beginning of 1979. For more than the past 10 years this practice has not dwindled but has inceased sharply.

Earlier, a Soviet diplomat who used to stay in Phnom Penh said that he had never known any regime which ignored the interests of the populace like the Phnom Penh regime.

We agree with this Soviet diplomat's remark on corruption by the former Phnom Penh regime, but we must add that the current Phnom Penh regime's corruption has reached a very serious point. It is difficult to find a correct name for this practice by the Phnom Penh regime. This is because corruption means just the act of appropriating national and popular interests for one's own group. But what the current Phnom Penh regime is doing is not just transferring national property to its own possession, but also selling out national property to foreign capitalists. Such a practice will soon cause Cambodia's economy to fall into the hands of foreign capitalists.

What should we call this practice? Let us call it a nation-selling activity which expands from such a corrupt practice. Thus, the question is: Should we condone corruption?

We have seen clearly that corruption has caused extremely bad consequences to our Cambodian nation. Corruption is the source of poverty, division, war, misery and suffering, and massacre of the Cambodian people as experienced by all Cambodians in the recent past. Corruption helps a corrupt person enjoy happiness, but pushes the Cambodian people in general down into a sea of tears and blood. For this reason, we must neither condone nor concede to corruption.

There is no other effective measure to prevent and curb corrupt practices than the implementation of democracy. The root cause of corruption is power. Dictatorial power such as that in the communist regime only enables corruption to take root deeply in a regime, and then this corruption will gradually undermine and finally cause that regime to fall as in the case of the communist regimes in Eastern Europe, the Soviet Union, and other regions in the world.

Therefore, to cope with corruption, it is necessary to have an administrative system in which the power is clearly divided in line with the democratic theory. In a democratic regime, the power is vested in the people and is clearly divided into three parts, namely the legislative—the National Assembly; the executive—the government; and the judicial—the Supreme Court. These three bodies combine into an administrative regime to rule the country and each body also has its own authority to ensure that no power is turned into dictatorship which will only open ways to corruption.

In a democratic regime, each political party must have the populace's vote of confidence to hold power. Any political party which gets the vote of confidence must serve the interests of the people and nation. The political party which does not serve national interests and is deprived of the people's confidence must automatically step down from power through a vote of no-confidence to be held in the National Assembly or in the elections to be held every four or six years as determined.

Therefore, under democracy, there is a concrete guarantee that the power-holders must be held responsible before the people who own the power. This guarantee is an important factor to ensure that the power-holders must always take the correct line and show their honesty within their term assigned by the people.

We believe that democracy is the most effective antidote to cure the acute disease of corruption in the Cambodian society.

The Cambodian people should be given the right to elect or oust a government from power.

The Cambodian people's representatives in the National Assembly must have the right to monitor and verify the government's activities which run counter to the national interests.

Therefore, to resolve the problem of corruption which is undermining our society, all Cambodian people must elect any party which truly adheres to democracy so that genuine democracy will be practiced in Cambodia.

Of late, we have seen that to gain power, the communist parties in some countries have used a cloak of democracy to fool the people. After gaining power, those sham democratic parties would immediately launch their dictatorial and oppressive policy and carry on their corruption.

For this reason, all Cambodian people must be careful in the coming election because it is the factor for deciding the fate of our entire Cambodian nation.

UN Representative Akashi Arrives for Visit

BK2201091392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 22 Jan 92

[Text] On the morning of 22 January, His Excellency [H.E.] Yasushi Akashi, special representative of the UN secretary general in Cambodia, arrived for a six-day official visit to Cambodia from 22 to 27 January to supervise the implementation of the Paris peace agreement.

Greeting him at Pochentong Airport were H.E. Hor Namhong, foreign minister of the State of Cambodia and member of the Cambodian Supreme National Council; Lieutenant General Phuong Siphan, deputy chief of staff of the Cambodian People's Army; and many leading officials.

Their Excellencies and personalities from the UN Advance Mission in Cambodia, ambassadors, and representatives of various embassies accredited to Cambodia, including those from Thailand, Britain, United States, China, France, Canada, Malaysia, Russia, India, Vietnam, Laos, Hungary, and Bulgaria, were also present.

Hor Namhong, DPRK Minister View Peace Progress

BK2101154192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 21 Jan 92

[Text] His Excellency Hor Namhong, minister of foreign affairs of the State of Cambodia [SOC] and member of the Supreme National Council of Cambodia [SNC], received and had cordial talks at the Foreign Ministry this morning, 21 January, with H.E. Kim Yong-nam, vice premier and foreign minister of the Democratic People's Republic of Korea [DPRK], on the occasion of the latter's official visit to Cambodia.

H.E. Hor Namhong first welcomed H.E. Kim Yong-nam and his delegation for according the SNC and the Cambodian people a great honor by their visit. H.E. Hor Namhong then expressed the support of the SNC—with His Royal Highness [H.R.H.] Norodom Sihanouk as chairman—and the Cambodian people for Korea's national reunification policy, which is the sacred aspiration of the Korean people. He also praised the successes achieved by the Korean people under the enlightened leadership of Great Leader Kim Il-song.

H.E. Hor Namhong then briefed his guest on the implementation of the Paris peace accord. He said the SNC under the lofty and clearsighted leadership of the prince has made many important achievements, such as the functioning of the SNC, the regular meetings of the SNC Secretariat, and the operation of the Mixed Military Working Group. The UN Advance Mission in Cambodia has also performed its job well, while the mine-clearing experts have started their work despite the fact that the UN secretary general's special representative and the UN Transitional Authority [UNTAC] have not yet arrived in Phnom Penh. He said all Cambodian factions have promised to strictly respect the Paris accord. Although there have been some violations by the other factions, the cease-fire has generally been observed, he said.

H.E. Hor Namhong noted that when the UN secretary general's special representative and UNTAC arrive in Cambodia, implementation of the Paris accord will be further accelerated. The minister also talked about a number of important matters that must be carried out urgently, such as gathering and demobilizing the Armed Forces and the repatriation of Cambodian refugees. He also appealed for the goodwill and sincerity of all Cambodian factions in implementing the Paris accord.

In his reply, H.E. Kim Yong-nam expressed thanks for the warm and cordial reception accorded his delegation. He said this visit will further strengthen the relationship between the Korean and Cambodian peoples. H.E. Kim Yong-nam then informed H.E. Hor Namhong of a number of international and regional developments and stressed that the policy of the DPRK on national reunification is formulated on the one nation, one state, and two regimes basis. He also thanked the SNC headed by H.R.H. Prince Norodom Sihanouk and the SOC Government for supporting the Korean people's national reunification policy.

UNAMIC's Loridon Chairs Military Group Meeting

BK2201104592 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 21 Jan 92

[Text] On the afternoon of 16 January, the Mixed Military Working Group of all four Cambodian parties met in Phnom Penh to continue discussing the plan to implement the Cambodian peace agreement under the chairmanship of General Michel Loridon, military head of the UN Advance Mission in Cambodia.

Attending the meeting were Senior Lieutenant General Ke Kimyan, representing the State of Cambodia; General Kruoch Yoeum, representing the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia; General (?Mol Sary) representing (?Son Sen); and General Pan Thai and General Keat Ret representing the Khmer People's National Liberation Front.

The meeting's participants agreed that the peace agreement, signed in Paris on 23 October 1991, should be well implemented. Troops of the four Cambodian parties also agreed on exchanging personnel at the General Staff level from each party. According to the agreement reached at the meeting, the exchange of personnel at the General Staff level will continue. The State of Cambodia side will exchange personnel with the Khmer Rouge in the Pailin area and with the Son Sann party in the Boeng Trakuon-Ampil area in Banteay Meanchey Province.

Heng Samrin Receives Japanese Ambassador 17 Jan

BK1801082092 Phnom Penh SPK in French 0400 GMT 18 Jan 92

[Text] Phnom Penh 18 Jan (SPK)—Heng Samrin, chairman of the State Council of the State of Cambodia [SOC], received on Friday [17 January] in Phnom Penh Mr. Yukio Imagawa, ambassador of Japan to the Supreme National Council [SNC] of Cambodia.

Assisted by Chan Ven, secretary general of the State Council, and Long Visalo, deputy foreign minister, Heng Samrin warmly welcomed the Japanese diplomat's mission in Cambodia. He assured Mr. Yukio Imagawa of all facilities provided to his mission. "The Japanese Government's gestures toward Cambodia constitute a contribution to renforcing the relations of friendship and cooperation between the two countries," President Heng Samrin said.

Mr. Imagawa informed the Cambodian leader that the Japanese Government has dedicated its attention particularly to the implementation of a peace accord in Cambodia, adding that although he was accredited to the SNC, he also recognized the existing government since, he explained, the SOC government, especially its Foreign Ministry "endorse his mission" and "support Japan."

Mr. Imagawa said he was also interested in becoming acquainted with the alliance between the Cambodian People's Party and the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia of Prince Norodom Ranariddh.

President Heng Samrin and the Japanese diplomat exchanged views on the situation in Cambodia since the signing of the Paris peace accord and on the relations between the two countries after 17 years of rupture.

SRV, Phnom Penh Forces Routed in Kompong Thom

BK2101013492 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 20 Jan 92

[Text] As of 12 January, hundreds of Vietnamese troops led many regiments of Phnom Penh side armed forces to launch an offensive against the liberated zones of Democratic Kampuchea [DK] southeast of Stoung District seat in Kompong Thom Province. After fighting for three days, that is from 12 to 15 January, the DK national army and people in Stoung District totally routed this military campaign of the Vietnamese aggressors and Phnom Penh party.

The national army and people in Stoung District recaptured all their liberated villages and communes. They also killed 25 enemy soldiers, wounded 38 others, and seized 43 assorted weapons and a large quantity of ammunition and war materiel.

It is clear to the DK national army and people in Stoung District that the Vietnamese aggressors have not respected the agreement. The UN forces have not carried out the supervision. Therefore, the war has not yet ended.

All compatriots should thus consolidate unity among the national army, people, and village and commune national councils even more closely by striving to defend their localities, villages, and communes while joining hands to gradually improve their economy and livelihood.

Vietnamese Families Settle in Kandal Province

BK1901032092 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 18 Jan 92

[Excerpt] According to reports from S'ang District, Kandal Province, in December 1991, the Vietnamese aggressors brought over 250 Vietnamese families to plunder our people's fertile land in S'ang District; 150 families were taken to Prek Chlorp market in Traeuy Sla commune and another 100 families to Prek Toch market and along the Basak River bank in Prek Koy commune, S'ang District, Kandal Province.

These Vietnamese are organized into state authorities with heads of villages and communes and an armed group for every ten families. This clearly shows that despite the Paris agreement, which requires that the Vietnamese aggressors withdraw all types of aggressor forces from Cambodia, the Vietnamese aggressors still continue to implement their expansionist strategy. [passage omitted]

Indonesia

Portuguese Envoy Assails East Timor Report

BK2201031992 Bangkok THE NATION in English 22 Jan 92 p A11

[Letter by Portuguese Ambassador to Thailand Sebastiao de Castello-Branco to THE NATION: "East Timor Report"]

[Text] In its very structure and wording the "official report" by Indonesia's National Commission for Inquiry into the Dili massacre on November 12, 1991—published in THE NATION on January 16 and 17—is nothing but an obvious, painfully obvious fabrication aimed at providing aid donors to and allies of Indonesia with a pretext for, once again, for the sake of business, relegating into oblivion the appalling sufferings of the East Timorese. But its naively intentional recognition that the dead were in numbers greater than previously admitted (just slightly greater, mind you) should fool no one beyond the group of those who, having a greedy eye set on Indonesian and East-Timorese resources, lend themselves willingly to be fooled.

The "report" tries to explain the massacre as an unfortunate case of overreaction by Indonesian soldiers under provocation by East-Timorese freedom militants, a version strongly denounced by independent eyewitnesses of the massacre, international NGOs [Nongovernmental Organizations] and the Indonesian installed "government" of East-Timor himself [as published]. It aims, further, at presenting the massacre as an isolated incident to conceal the fact that it was just one more link in a 16 year long chain of atrocities, rape, torture and murder inflicted on the East-Timorese by the Indonesian invader. Fully one-third of East-Timorese have been wiped out by Indonesia since 1975, a genocide of truly Khmer Rouge proportions.

Finally the "report" omits the crux of the situation, namely the forceful annexation by Indonesia of a country and a nation who, in its ethnical roots and cultural traditions, have got nothing to do with the Indonesians.

The world, having recently mobilized to counter another military takeover, should reflect on and lend consciousness to the fact that Indonesia, in annexing East-Timor, is guilty of just as condemnable and a lot bloodier a crime. Condoning it is tantamount to court evil that may tomorrow turn against the courtier.

"Police examinations were conducted according to the law", says the "report". Nothing that Indonesia does in East-Timor can be deemed to be "according to the law" because Indonesia's rule there is unlawful to start with.

The murder of two hundred thousand East-Timorese cannot find pardon in a false "report" and the dismissal of a couple of generals.

Suharto Suggests Common Stand on Environment

BK2001091792 Jakarta ANTARA in English 0833 GMT 20 Jan 92

[Text] Jakarta, Jan. 20 (OANA/ANTARA)—President Suharto said here on Monday the Association of Southeast Asian Nations (ASEAN) should have a common stand in the conference on environment and development in Brazil in june this year.

"The head of state said Indonesia should strive to make the summit in Brazil successful and for that it is necessary to consolidate views from within ASEAN and other regional organizations," State Minister for Population and Environment Emil Salim said after meeting President Suharto.

Emil Salim saw the president to report about the importance of consolidating views from ASEAN and other regional organizations so that the meeting would not come to a failure. [as received]

All head of states and governments are invited to attend the meeting which is scheduled on June 1-12 but the United States for example have shown no interest in the conference because there will be general elections in that country and because that country is busy recovering its economy while the European Community is concentrating on developing the European single market.

"Our worries are that the summit meeting in Brazil will be too ceremonial while the fact is the participants are expected to solve financing problems of conservation and mechanisms of technology transfer," he said.

In connection with consolidation efforts ASEAN ministers in charge of environment plan to hold a meeting in Singapore on February 17-18 and in the near future several officials from Malaysia will come to the country to discuss the same issue.

President Suharto said it was necessary to confront development against conservation efforts.

"Development accomodates environmental considerations and, therefore, there is no need to put the two factors in confrontation with each other," Emil Salim said quoting the president.

President Suharto said there was no need for the developing and developed nations to get involved in confrontation in handling living environment and nature conservation problems, adding it was consultations and cooperation that was necessary.

Alatas Returns From Cambodia, Urges Restraint

BK1901133092 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 19 Jan 92

[Text] Indonesia has called on all Cambodian factions to be patient and not hurl accusations at each other, because the slow implementation of the Paris agreement is attributed to the fact that members of the UN Transitional Authority on Cambodia [UNTAC] have not yet arrived in that country. Indonesia also urged the Cambodian factions to exercise restraint and continue to abide by the literal meaning and spirit of the Paris agreement.

Foreign Minister Ali Alatas, who is also one of the Paris Conference cochairmen, made these remarks to reporters at Jakarta's Halim Perdanakusumah Airport on his return from Phnom Penh. Alatas added that Indonesia had also granted a request made by several Cambodian groups to continue to play an active role and exert efforts to solve the long-standing Cambodian problem. All factions in Cambodia agree to the need for the earliest arrival of (Yasushi Akashi), a personal envoy of the UN secretary general, and the UNTAC team, as well as the need for the clearance of land mines, which may threaten the lives of refugees returning to take part in elections.

Trade Minister, Thai Counterpart Discuss EAEC

BK1701112092 Jakarta ANTARA in English 1004 GMT 17 Jan 92

[Text] Jakarta, Jan 17 (OANA-ANTARA)—The economic talks by the heads of government of the six Southeast Asian countries during their summit meeting in Singapore later this month is not a review over Malaysia's proposal on the establishment of East Asia Economic Caucus (EAEC).

Trade Minister Arifin Siregar told reporters on Friday that during the coming summit of the Association of Southeast Asian Nations (ASEAN) on January 27-28, economic and foreign ministers of the ASEAN six member countries will discuss the setting up of EAEC.

"The joint-talks between economic and foreign ministers of ASEAN in the summit should not be interpreted as a review of the EAEC establishment," Siregar said.

He made the remarks after he received visiting Thai Commerce Minister Amaret Sila-on. "The joint meeting is needed because there has not been any meeting between the economic ministers and the foreign ministers of ASEAN," Siregar added.

He said discussions between the economic ministers and foreign ministers were important because of the rapid international changes that had taken place over the past few months after the ASEAN economic ministerial meeting in Malaysia last October.

Two years ago, Malaysia's Prime Minister Mahathir Mohammed proposed the formation of East Asia Economic Group, EAEG, which included ASEAN, Japan, South Korea, and China. The group was designed to counter the Economic Union of the European Community, and the agreement signed by the United States, Canada, and Mexico. But during the ASEAN economic ministers meeting, the EAEG was changed to EAEC, an economic forum which would hold a meeting of its members only when necessary, after Washington refused the EAEG formation.

Siregar said the latest development after the Kuala Lumpur meeting was the Washington government rejection of the economic caucus (EAEC).

"The United States has convinced Japan not to join the caucus and Japan will not join the new economic cooperation," he added.

He further said that his talks with Amaret Sila-on covered among others the preparation of the fourth ASEAN summit, the EAEC, and the plan on the adoption of Common Efficient Preferential Tariff (CEPT), which could lead to the setting up of ASEAN Free Trade Area (AFTA).

AFTA, designed to bolster trade among ASEAN member countries and expected to function effectively starting from January 1, 1993 and to be gradually stepped up for the next ten to fifteen years, is only applicable to manufactured goods produced by ASEAN countries.

"We have to open our market wider once AFTA has been implemented," Siregar said, adding that Thailand had assured Indonesia that it was willing to implement AFTA.

ASEAN, a regional economic grouping which was set up in 1967, comprises Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Brunei.

Accord Signed With Australia's Northern Territory

BK2101152892 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 21 Jan 92

[Text] The Indonesian Government and Australia's Northern Territory have agreed to enhance cooperation in economic development, particularly in the eastern part of Indonesia. The agreement was embodied in a memorandum of understanding signed by Foreign Affairs Minister Ali Alatas and Marshall Perron, chief minister of Australia's Northern Territory, in Jakarta today. They agreed that Eastern Indonesia is a region which is not only geographically close to Darwin but also has economic potential.

According to Perron, the memorandum of understanding is important for the enhancement of relations between the two governments. Perron hoped that experiences in infrastructures, social services, and economic development in Australia's Northern Territory would contribute to the development of Eastern Indonesia.

Laos

Thai Officials Hail Kaysone Visit to Kingdom

Army Commander Suchinda Comments

BK1701045592 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 17 Jan 92

[Text] His Excellency General Suchinda Khraprayun, deputy head of the National Peacekeeping Council, Armed Forces supreme commander, and Army commander of the Kingdom of Thailand, has granted an interview to a PASASON correspondent in Thailand's Chon Buri Province on the visit to Thailand of His Excellency Kaysone Phomvihan, president of the Lao People's Democratic Republic [LPDR]. In the interview, he said: On behalf of the Thai people, I would like to express pleasure over the visit. We looked forward to the visit to Thailand by the president of the LPDR for a long time, because Thailand and Laos are neighboring and fraternal countries which have maintained close relations since ancient times. The relations have been particularly improved following the visit to the LPDR by Her Royal Highness Princess Maha Chakkri Sirinthon in early 1990.

The visit to the Kingdom of Thailand by His Excellency LPDR President Kaysone Phomvihan on this occasion is considered an event of great significance. It has brought about the further promotion and expansion of Thai-Lao relations.

Asked what measures he thought should be taken to improve relations in the economic, cultural, social, and other fields, His Excellency Gen. Suchinda Khraprayun said: I see that Thai investors still have many problems which have created unfavorable conditions for investing in Laos. Such problems are, for example, certain rules and regulations which have caused doubts among the investors. I, therefore, would like to ask the Lao side to take this issue into consideration and settle it. For the Thai side, many Thai investors have shown their desire to invest in Laos. The Thai Government also wants to see as many Thai investors as possible invest in Laos for the benefit of both countries. In this regard, the Thai Government will also take into consideration the transportation and tax problems in favor of the Lao side. It also plans to set up an ad hoc committee to study Thai-Lao cooperation in the economic, cultural, and social fields with a view to fruitfully promoting and expanding the fraternal relations between the two countries.

Thai Ambassador Praises Visit

BK2101114992 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 21 Jan 92

[Interview with His Excellency Nikhom Tantemsap, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to the Lao People's Democratic Republic (LPDR), by unidentified station correspondent; date not given—read by announcer]

[Text] [Correspondent] Your Excellency, what is your opinion on the official visit to the Kingdom of Thailand by His Excellency [H.E.] Kaysone Phomvihan, president of the LPDR?

[Ambassador Nikhom] I am of the view that the visit to the Kingdom of Thailand by LPDR President H.E. Kaysone Phomvihan, Mrs. Thongvin, and his son, Thongsavan Phomvihan, as well as other Lao leaders symbolizes a gesture of great significance. It is extremely important to the brotherly and neighborly Thai-Lao and Lao-Thai relations.

Having attached utmost importance to the visit of H.E. the LPDR president and his family and other Lao leaders, the Thai side considers it the peak of the relations existing between the two countries at the moment. We can say that from now on the relations between our two countries will become more profound and smooth. We have managed to effectively resolve past conflicts and problems. We have reached fundamental agreement on almost everything. For example, we have started with trade issues. A new bilateral trade agreement has already been signed by Thai Foreign Minister H.E. Asa Sarasin and Lao Deputy Prime Minister and Minister of Economy, Planning, and Finance H.E. Khamphoui Keoboualapha. The two countries have greed to promote mutual trade with each other and have tried to increase the volume of goods traded between the two sides to the same level.

As for the other fields, the two sides have reached agreement on the border issue. Lao-Thai and Thai-Lao joint border committees already exist and are cochaired by Deputy Foreign Minister Wichian Watthanakun for the Thai side and Deputy Foreign Affairs Minister Souban Salitthilat for the Lao side. Moreover, when H.E. Asa Sarasin paid a visit to Vientiane in May 1991, an agreement was also signed on setting up Thai-Lao and Lao-Thai cooperation commissions to be jointly in charge of looking after almost all fields except those that have already been taken care of by the other committees or agreed upon by the two sides.

As for general technical cooperation in tourism, refugees, and suppression of narcotic drugs, agreements have already been reached. The joint cooperation commissions have been cochaired by Foreign Affairs Minister H.E. Phoun Sipaseut for the Lao side and by Foreign Minister H.E. Asa Sarasin for the Thai side. The commissions held their first meeting in Cha-am District, Phetburi Province [in Thailand] in August 1991. I am glad to say that at that meeting an agreement was signed to set up the joint Thai-Lao and Lao-Thai general border peacekeeping coordination committees cochaired by H.E. General Suchinda Khraprayun for the Thai side and by H.E. Lieutenant General Choummali Sai-gnason for the Lao side. We can see that fundamental agreements have been reached to prepare the best possible way to carry out smooth relations between our two countries in almost all fields.

Therefore, the visit by H.E. Kaysone Phomvihan symbolizes the culmination of this cooperation, which is of profound significance to the two countries and peoples. It also constitutes a concrete symbol for the peoples of the two countries that our relations have been concretized at the highest level. You can see that His Majesty the King, the Thai Government, and the Thai people have extended a wholehearted welcome to H.E. Kaysone Phomvihan. It is our policy to do that. I think that in the next step such a practice will be taken up between the peoples of the two countries, who will certainly increase the frequency of contacts with one another.

[Correspondent] Are there any remaining problems where agreement cannot be reached regarding the relations and cooperation between the two countries at present?

[Nikhom] I think that there are no more remaining major problems at present. The only few remaining major problems have now been discussed and resolved in a frank manner. The problem to which the Lao side has attached importance has been clearly resolved—that is, the problem of transport fees for transit goods. This is because if Laos produces industrial and agricultural goods for export and has to pay high transport fees, this problem will pose a hindrance to Laos' export businesses. The Thai Government has already resolved this problem for Laos by lifting the transport monopoly on transit goods by the Express Transport Organization, thus enabling the Lao side to choose other transport companies of its own choice.

As for the problem that existed between us before at the village of Ban Rom Klao, I am very pleased to say that the armed forces of the two countries have now reached mutual understanding on this issue. Following General Suchinda Khraprayun's visit to Laos in March last year, the two sides took action to immediately withdraw their troops from the border. A monthly meeting is jointly held by the military committees of the two sides each month to resolve together any problems that may arise.

The third issue is the resistance groups. The Lao side may be suspicious that certain Thai Government work units have rendered support to these groups. Regarding this development, the Thai side at all levels has reassured the Lao side that it has never given support to those groups. You can see that the Thai side habors no ill intentions toward Laos and there is no reason for the Thai side to give support to these resistance groups. Presently, the world situation has changed in many spheres. No one is contemplating using military confrontation as a tool against other peoples any longer. But it will be too much if I say that such a tactic is now out of date. The world's people would now rather engage in competition with one another in other fields—for example, in the economic field. Therefore, in principle, I think there are no remaining problems between us at present and we should not let it happen that way. I think that the visit to Thailand by H.E. Kaysone Phomvihan has clearly confirmed to the peoples of the two countries as well as the world people that we have no remaining problems with each other. Even though minor problems may arise, we can still talk about them with each other because we have mechanisms for that purpose at all levels.

Thai Trade Delegation Holds Talks, Departs

BK1801064592 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 18 Jan 92

[Text] On 16 January, the delegation of the Thai-Chinese Chamber of Commerce led by Bunthong Sifuangfung, chairman of the chamber, left Vientiane for home after ending a three-day official visit to our country at the invitation of the director general of the Mountainous Region Development Company.

An official meeting was held at Lan Xang Hotel in Vientiane on the evening of 14 January 1992 between the delegation of the Mountainous Region Development Company led by its director general, Brigadier General Cheng Sai-gnavong, and the delegation of the Thai-Chinese Chamber of Commerce led by Bunthong Sifuangfung. At the meeting, the two sides consulted with each other on the possibilities of establishing a joint bank by the Thai-Chinese Chamber of Commerce and the Mountainous Region Development Company in the future. The Thai delegation expressed keen interest in the investment policy of the government of the Lao People's Democratic Republic [LPDR].

During its visit, the Thai delegation paid a courtesy call on Khamphoui Keoboualapha, deputy prime minister and minister of economy, planning, and finance; and called on a number of persons in charge of various services in Laos' economy and finance work, such as those persons responsible for investment, trade, tourism, and banking affairs in the LPDR.

Seeing the delegation off at Wattai Airport were Brig Gen Cheng Sai-gnavong, director general of the Mountainous Region Development Company, and a number of directors and personnel of the company.

Article Hails People-Army Relations

BK1801132392 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 18 Jan 92

[Undated PASASON article: "The Lao People's Army Remembers and Is Grateful to the Multiethnic People"]

[Text] The victories and glorious achievements won by the Lao People's Army [LPA] and multiethnic people in the past 43 years are inseparable. The history of our country has proved that throughout the periods of national liberation and construction, the people are the fundamental strength of our Army. The LPA was created by the people, serves the people, and fights for the interests of the laboring people.

Under any circumstances, the fraternal multiethnic people always wholeheartedly look after our Army. The concrete assistance rendered by the people has provided both physical and spiritual encouragement for our cadres and combatants in performing their heroic combat duty and making selfless sacrifices. Our Army, therefore, must remember the kindness of the fraternal multiethnic people.

Over the past four decades of fighting and striving to achieve self-improvement, the LPA has always been grateful to the Lao multiethnic people. We consider them to be acting as fathers and mothers raising their own children. Since the day our Army was established, it was the fraternal multiethnic people who looked after, helped, and built us up through supplying materials, weapons, consumer goods, and even manpower.

The fraternal people have willingly assisted our Army in conducting its combat duties and other tasks. For example, they helped military units find and attack the enemies and delivered food supplies to cadres and combatants during the enemy encirclement and other difficult times. They generously allowed fraternal military personnel to live in their houses during the soldiers' vacations and took care of wounded and ailing cadres and combatants. Families of combatants in the rear zones were taken care of by their parents-in-law. Moreover, the people also shared weal and woe with our combatants and risked their lives on battlefields by carrying supplies and treating wounded soldiers. The ties between the people and our Army are as inseparable as fish and water.

The LPA cadres and combatants, sons and newphews of the multiethnic people, are preserving the fine traditions of the Army and our nation. The great kindness rendered to the LPA by the Lao multiethnic people the past 43 years is indescribable and has been brilliantly engraved in the history of our nation and Army. On the occasion of the 43d founding anniversary of the LPA, cadres and combatants of all LPA units wish to express their humble gratitute to the fraternal multiethnic people in the entire country for their contributions to the development and achievements of our Army.

The more we are grateful to the people, the more we, LPA cadres and combatants, must truly serve the people. We must firmly adhere to the 12-point discipline in dealing with the people and use this discipline as the standard to improve ourselves. All LPA cadres and combatants must review their daily activities and judge whether they have truly served the interests of the people and whether they or their units have offended the people. Timely action must be taken to make corrections. In particular, our young cadres and combatants must always learn by heart the regulation that reads: Respect elders, love children, and [words indistinct] young girls. Commanding staff and political cadres of all units must educate their unit members about the genuine nature of our Army, which is the Army of the Lao people, and serve the people wholeheartedly and instruct them to avoid offending the people, treat the people well, draw up plans for helping the fraternal people, and learn lessons from the fraternal people.

In particular, during the celebration of the 43d LPA founding anniversary, all units should appoint cadres and combatants to work with local administrations in reviewing and assessing relations between LPA personnel and the people in their respective localities and make corrections if necessary. In so doing, the LPA and the people will be able to effectively perform at the grass-roots level the task of national defense and maintaining tranquility. At the same time, we must express our gratitude to the local people for their cooperation and assistance in the past.

The past 43 years are also proof that the LPA is the people's army and the people's trustworthy force loyal to the party, nation, and Laos' revolution. Under the beacon of the resolution of the Fifth Party Congress and with gratitude to the multiethnic people, the LPA cadres and combatants must be determined to make all sacrifices for the national cause, wholeheartedly serve the people, resolutely overcome all obstacles and difficulties to defeat the enemies, and fulfill all duties entrusted by the people.

Economic Development Work in 1991 Detailed

BK2001124992 Vientiane PASASON in Lao 2 Jan 92 p 2

[Unattributed article: "In 1991, Our Economy Continued To Develop"]

[Text] The year 1991 has brought many important changes, not only to the political and social domains, but also to our economy as well. The important development activities undertaken by the various services in 1991 included: the first nationwide conference on communications, transport, posts, and construction work; the first nationwide conference on the production of consumer goods and goods for export; and many other important meetings.

On the basis of the spirit of the economic development policy adopted at the fifth party congress, economic development in our country has gradually been picking up at a rather rapid pace. Production has gained new steps of development. Domestic markets have been broadened and have established more links with foreign markets. Our economic relations with foreign countries have also been in a better position.

Even though the weather conditions were unfavorable in 1991—including severe floods, drought, crop pests, and animal diseases in many localities, thus causing great losses to our agricultural production (350,000 metric tons of paddy have been perished)—all in all our economic development continued to increase at a rate of 4 percent per year last year. Industrial production increased by 25 percent compared to 1990, while the services sector made a gain of 5.8 percent. The economic structure has also been broadened with the injection of huge investment funds from various economic sectors. Of this, the state played a dominant role by injecting some 85 billion kip into various investment projects. Commodity prices in local markets remained stable as they had been a few years ago. Inflation remained low—at a rate of 12 percent per year. Our fundamental export goods included processed timber, gypsum, tin ore, coffee, cardamom, wood tars, and electricity.

The environment has received better protection than before. The project to restrict and to decrease slash-and-burn crop cultivation has been more vigorously implemented and received more cooperation from the multiethnic people. The recent government move to put into effect the policy of closing down forests is also part of our efforts to conserve wooded forests and to make better and more efficient use of forest resources.

Our economic relations with foreign countries have achieved effective results. According to statistics provided by the Ministry of Foreign Economic Relations, in the past year, contracts on 11 projects [with foreign business enterprises] worth more than $23 million were signed; 73 projects of joint ventures worth more than $139 million were developed; and 52 foreign firms made unilateral investments worth $97 million here. Of these, 33 projects engaged in trading, 25 projects in industrial and handicraft production, 20 projects in garment businesses, 96 projects worth $96 million in hotel and tourism businesses, projects in transport businesses worth more than $30 million, and projects in oil and natural gas exploration worth some $40 million.

The year 1991 also saw the completion of the construction projects of many fundamental foundations—the most important of which was the construction of the 45-megawatt Se Set hydroelectric dam worth $44 million. The construction of this project began in 1988 and was completed in June 1991. Another big project was the construction of a new building for the Morning Market in Vientiane Municipality. Many roads have also been resurfaced or asphalted. So far, of the total length of 17,971 kilometers of roads throughout the country, 3,353 kilometers have been asphalted and 3,953 other kilometers elevated with good clay. The construction of the Nam Seuang Bridge in Luang Prabang Province was also completed. In addition, the construction of the Lao-Australian-Thai Friendship Bridge across the Mekong River has already begun. Another major construction project which is under way at present and has been some 80 percent completed is the irrigation project at Tha Ngon worth some $20 million to irrigate an estimated 2,700 hectares of ricefields. The construction of this project has been funded by aid from the Japanese Government.

All these were the achievements we have reaped from the economic development policy of our party in 1991. These achievements once again reaffirm the validity of the economic development policy of our party. Based on this excellent position plus the prevailing favorable conditions, it is believed that in 1992, the economic situation in our country will be greatly improved.

Somlat Chanthamat Speaks at Sayaboury Conference

BK2101094692 Vientiane KPL in English 0907 GMT 21 Jan 92

[Text] Vientiane, January 21 (KPL)—Somlat Chanthamat, Politburo member of the Lao People's Revolutionary Party Central Committee [LPRP CC], head of the party CC Propaganda and Training Board, on 16 January gave talks to participants of a conference on propaganda in Sayaboury Province.

Somlat Chanthamat underlined both the international and domestic situation, especially national defence and development in the locality. He stressed on the importance of the ideological work, which is connected with work in all sectors, as it contributes to educating people to have good conduct, and to realising the party guidelines and policies.

The head of the board also spoke of strong and weak points in the work and of detailed plan and measures to improve it by all means of information and mass communication.

The conference reviewed the propaganda activities over the past year and adopted the 1992 plan of action covering the building of strong political bases and the comprehensive rural development in the province as provided by the recent national conference on the organisation work.

Communications Conference Reviews 1991 Work

BK2101125192 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 20 Jan 92

[Text] On the evening of 18 January the nationwide conference on telecommunications and postal work was concluded after four days.

At the conference, 90 representatives of the postal companies from throughout the country unanimously agreeed with the assessment of work performance in 1991 and endorsed the 1992 work plan. After studying and assessing the work performance, the conference became highly determined to strive to do away with the remaining problems and shortcomings. The conference concluded that the quality of work and the level of alertness among cadres and employees remained low, the organizations in this field were not in harmony, the center and localities lacked close coordination, no life-sharing activities were carried out, follow-up and inspection of production was absent, social management was ineffective, and a sense of responsibility failed to prevail among employees in carrying out work.

The conference pointed out numerous shortcomings that posed an obstruction to the advancement of work and the country.

In 1992 all the postal and telecommunications enterprises throughout the country will put into practice all detailed plans and mobilize technical cadres to develop a sense of political awareness and a sense of responsibility. Plans on managing the various technical aspects of the work will also be worked out. For example, expenditure and revenue must be carefully managed with a view to preventing any losses. The enterprises are resolved to adhere to the slogan: "With honesty and loyalty in our hearts, we will provide the best services to the people." The enterprises plan to boost the morale and increase the capabilities of all cadres and employees and encourage them to maintain good health and keep their working premises clean.

ESCAP-Sponsored Seminar on Transport Work Opens

BK2101101892 Vientiane KPL in English 0915 GMT 21 Jan 92

[Text] Vientiane, January 21 (KPL)—The Ministry of Communication, Post, Transport, and Construction, in collaboration with the ESCAP [Economic and Social Commission for Asia and the Pacific] in Thailand and the UNDP [UN Development Program] in Laos, yesterday opened here a seminar on multiformed transportation.

Attending the seminar are personnel from both state and private transportation companies.

The head of the Transportation Department, Mr. Khamla Visitsombat, said the seminar has the objective to make Lao transportation business circle understand different means of transportation, involving the direct way among the goods supplier and lawyers. This is to cut down the transportation links and to reduce the prices of goods and their transportation fees to the lowest possible rate.

The four-day seminar has as its lecturers experts from the international transportation organisation, ESCAP, China, and some Lao technicians in the field.

Committee Supports U.S. Group on Cuba Issue

BK2201095892 Vientiane KPL in English 0906 GMT 22 Jan 92

[Text] Vientiane, January 22 (KPL)—Mr. Singkapo Sikhotchounlamani, president of the Lao Committee for Peace, Solidarity, and Friendship with Nations, has recently sent a telegram to the American Peace Association for Solidarity with the Cuban People.

The Lao committee extended solidarity to the association in connection with its meeting on Janunary 25 in San Francisco, U.S.A., to show solidarity and humanity to the Cuban people who have been victims of the political and military interference and the economic sanctions from outside for over three decades.

The Lao committee welcomed such an initiative of the association and hoped the meeting will contribute to demanding an end to a hostile policy towards Cuba for peace and security in the region and over the world as well.

Philippines

Kidnapped American Seen at Provincial Resort

HK2201005492 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 21 Jan 92

[Text] The kidnapped American executive Michael Barnes has been seen at a private resort in Laguna. This was confirmed by an official of the Philippine National Police [PNP]-Criminal Investigation Regional Command 4, who said an unidentified man at the resort named Boy saw Barnes accompanied by five armed men the night before last at Barangay Pansol, Calamba. The official said his group raided the suspects' hiding place but missed the men.

In this connection, PNP Director General Cesar Nazareno said that American investigators are now in the country to help with the local investigation. Nazareno said that Barnes is believed to be in good condition and is being held by his abductors in Metro Manila. He said he hopes the ongoing investigation will produce results this week. The director general added that security personnel from Philippine Geothermal are assisting investigators in solving the case. At present, no one has claimed responsibility for the American executive's kidnapping.

Meanwhile, several crime analysts claim that politics, not money, is the motive behind the Barnes kidnapping.

They say that Presidential Task Force anticar theft soldiers may have kidnapped Barnes in order to shame the Aquino government. It is also possible the kidnappers belong to a group of former soldiers and policemen connected with certain politicians.

The analysts say the Barnes kidnapping has once again placed the security of foreigners living in the Philippines in doubt, especially businessmen. They say the kidnapping of Japanese businessman Noboyuki Wakaoji in 1987 had worried foreign investors. Meanwhile, Senate President Pro Tempore Ernesto Maceda criticized the Aquino government for what he called its futile efforts to solve the kidnappings that have hit the country. He said kidnapping for ransom is now a multimillion industry in the Philippines. Kidnappers, he said, received over 200 million pesos for over 50 kidnappings during the past year. Maceda said the families of kidnapping victims keep quiet out of fear and conviction [as heard]. He added that Manila is now the most dangerous city in Asia because of the spate of kidnappings.

Drilon To Head Government While Aquino Away

HK2201085092 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 22 Jan 92

[Text] Executive Secretary Franklin Drilon has been appointed as government caretaker when President Corazon Aquino leaves for the Singapore summit meeting. Here is Dick Sinchongco with the details:

[Begin recording] Vice President Laurel will still not be given the opportunity to temporarily head the country, even for the last remaining few months of the present government's term. The president has assigned Executive Secretary Franklin Drilon as government caretaker while she is away in Singapore to attend the fourth ASEAN summit meeting. As with the past trips abroad of the president, she will issue directives and orders through a modern communications system connecting Malacanang and her room in Singapore. The president is scheduled to leave on Sunday for the ASEAN summit, and is due to return to the country on 29 January after the two-day summit meeting. [end recording]

Government To Allow Return of Marcos' Remains

HK2201062592 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 22 Jan 92

[Text] The remains of former President Ferdinand Marcos will be allowed back into the country after the May elections. This was announced by Executive Secretary Franklin Drilon in response to a petition filed by Mrs. Marcos at the Supreme Court. Drilon instructed Solicitor General Frank Chavez to make a representation before the court. The Supreme Court had earlier asked the government for an explanation for continuing to impose a ban on Marcos' remains. The government said that it does not want Marcos' remains to be involved in politicking.

Cardinal Sin: Marcos Candidacy 'Shameless' Act

HK2201095992 Hong Kong AFP in English 0916 GMT 22 Jan 92

[Text] Manila, Jan 22 (AFP)—Philippine church leader Jaime Cardinal Sin has severely criticized former first lady Imelda Marcos, likening her presidential candidacy to the "shameless" act of a thief, a report said here Wednesday.

The influential Roman Catholic prelate, speaking before military men here Tuesday, did not mention the former first lady by name, but dropped enough references to leave no doubt as to who was his target.

"When one is in position of wealth that has been immorally acquired, no nobility of purpose legitimizes using those funds," he said in his speech, published in full by the pro-government Philippine Star newspaper on Wednesday.

"It is just as immoral to use ill-gotten wealth to feign one's concern for victims of a volcano, as it is to flaunt one's poverty in a luxury hotel" or to "use it to launch one's political candidacy in shameless insensitivity to the victims of one's thievery," he added.

The widow of deposed dictator Ferdinand Marcos, who was unavailable for comment on Wednesday, registered her candidacy for the May 11 vote on Wednesday—the first prominent personality to do so.

Marcos has stayed in a luxury suite at the five-star Philippine Plaza Hotel here since returning from U.S. exile last November, but insists that she is penniless and that her stay is being funded by unnamed benefactors.

She is currently facing more than 80 graft cases in court for allegedly conspiring with her husband to raid the national treasury during his 20-year rule.

Since her return, Marcos has visited victims of the Mount Pinatubo eruption and other disadvantaged groups and has promised help. She has also offered to turn over 350 million dollars of funds frozen in Swiss banks, provided Manila agree to the unfreezing of the funds.

Sin was instrumental in launching Aquino's candidacy in the February 7, 1986 snap presidential election, whose disputed results led to a popular revolt which drove the Marcos family into exile.

"What is stolen is stolen. It must be returned," the cardinal said.

Aquino Accepts Resignation of Napocor Board

HK2001115792 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 20 Jan 92

[Text] President Corazon Aquino accepted today the resignation of the entire National Power Corporation [Napocor] board headed by Chairman Ernesto Aboitiz and President Pablo Malixi. According to Executive Secretary Franklin Drilon, the president is now accepting nominations for the seven-man board.

[Begin Drilon recording in English; in progress] ...this is that the credibility of Napocor has suffered because of these difficulties that we have not....[Drilon changes thought] It is actually a perception of inefficiency. We would like the new board to re-examine the structure and see to it that whatever inefficiencies there are in the management, in the operation of the Napocor, will be corrected. We want to infuse new blood into the board. And we hope and we are confident that with new appointees, there will be new ideas. [end recording]

Secretary Warns on Overriding Debt Cap Veto

HK2201091392 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 22 Jan 92

[Text] Budget Secretary Guillermo Carague has warned against the probable effects on our economy of the plan by certain legislators to override the president's veto of the debt cap provisions of the national budget. During an interview with Radyo ng Bayan, Carague said that such an override should be tackled by both houses of Congress and not only in the Senate.

[Begin Carague recording] What will happen is that there is a possibility, in Secretary Estanislao's view, of endangering our further borrowing (stance?) and (causing?) default with our creditors, and the IMF may not give its approval for the financing of our economic plans. That means that we will no longer be allowed to get new loans from our creditors for funds which we need. What we need now is for both houses of Congress to override this. It cannot be that only one House will override this. [end recording]

1991 Total Imports Show 5.5 Percent Drop

HK2001065392 Quezon City MALAYA in English 18 Jan 92 p 9

[Text] The country's total imports last year dropped by 5.53 percent to $8.84 billion from $9.36 billion the previous year, the Central Bank [CB] said over the weekend.

CB attributed the decline in imports to drop in the oil imports by 12.93 percent to $1.56 billion from $1.8 billion the previous year.

Industry sources explained the decline in oil imports to the plunging of world crude oil prices after the dreaded Gulf War. From $30 per barrel, world crude oil price plunged to a low of $16 per barrel late last year.

Oil imports were also affected by the drop in domestic consumption of petroleum products as a result of the production slowdown in various industries.

The Office of Energy Affairs claimed that the average oil consumption last year dropped to 200,000 barrels a day from the previous year's 200,000 barrels a day.

The CB also attributed the decline in total imports to the drop in non-oil products by 3.77 percent to $7.27 billion from $7.56 billion the previous year because of the implementation of the controversial import levy which was reduced from nine to five percent in August.

Non-oil imports started to drop beginning February, a month after the implementation of the levy. CB report shows the non-oil imports dropped by five percent beginning February and rose to a high of 27.59 percent in March.

CB, however, observed that beginning September, a month after the reduction of the levy to five percent, non-oil imports started to surge by 11.28 percent to $650 million.

Jan to Nov 1991 Exports Reach $7.9 Billion

HK2101043992 Manila THE CHRONICLE in English 21 Jan 92 p 9

[Text] The country's export earnings in November 1991 amounted to $735 million, higher by $49 million or 7.15 percent from the November 1990 figure, the National Statistics Office (NSO) reported yesterday.

Imports grew by $54 million or 5.1 percent from $1.04 million reported in the same month in 1990 and by 9.6 percent from October.

For the January-November period, total exports reached $7,938 million, or 6.5 percent higher than the $7,452 million registered in the same period in 1990. Meanwhile, the value of imported products at $11.024 million meant a decrease of $148 million from the year-ago level of $11,172 million, bringing the country's trade deficit to $3,086 million from $3,720 million in 1990.

Articles of apparel and clothing accessories which posted a value of $144.47 million was the top dollar earner for the month in review, followed closely by electronics with $143.76 million; coconut oil, $38.77 million; shrimps and prawns, fresh, chilled or frozen, $24.94 million; and petroleum products, $21.42 million. For garments, electronics and coconut oil, the consistent top three exports of the country, aggregate earnings of the three constituted $327 million or 44.5 percent of the total earnings.

The principal imports had total value of $550.88 million, with mineral fuel, lubricants and related materials accounting for $207.79 million or 18.9 percent.

Machinery other than electric, emerged as the second main import items with $107.54 million. The other leading imports were electric machinery, appliances and apparatus, $95.05 million; base metals, $71.22 million; and materials and accessories imported on consignment basis for the manufacture of semi-conductor devices, $69.28 million.

These figures are preliminary pending the inclusion of 87 out of expected 26,998 export documents and 71 out of the expected 29,035 import documents still in the outports.

Black Market in Dollars Now Legal

HK2001043592 Manila THE CHRONICLE in English 20 Jan 92 p 1

[By Rodney Diola]

[Text] Cebu City—The country will be left behind by its Asian neighbors if the move toward liberalizing its foreign-exchange market is aborted by the next administration, Central Bank Governor Jose Cuisia, Jr. has warned.

The forex liberalization, which takes effect today, legalizes the existence of the black market in dollars.

Cuisia told members of the Cebu Chambers of Commerce and Industry Saturday night the reforms would enable the country to compete and attract foreign investors.

He also assured that the benefits of the reform would far outweigh the risk.

Cebu businessmen expressed fear the reform could be scuttled eventually by the next administration, while others said it could trigger huge capital flight from the country.

Under the program, Filipinos can now take any amount of dollars out of the country as long as these dollars are not sourced from the banks.

The move, in effect, legalizes the black-market trade in dollars. The move allows full and immediate repatriation of dividends and profits from foreign investments.

It also allows exporters to retain 40 percent of their gross foreign-exchange earnings.

"We hope the decontrol program, together with other reform measures such as trade and investment liberalization, will create a critical mass that will attract investments," Cuisia told Cebuano businessmen.

Cuisia said he hoped to look back to 1992 years from now as a "watershed" in the country's economic history.

He said the ultimate policy objective of the government is to eventually move toward "full decontrol."

Cuisia said a review of the decontrol program would be conducted after six months to determine if exporters could be granted a higher dollar retention rate.

Party Denies Communist Backing for Candidates

HK2001064092 Quezon CITY MALAYA in English 18 Jan 92 p 2

[Text] The Partido ng Bayan [People's Party—PnB] expressed disgust over a recent AFP-PNP [Armed Forces of the Philippines-Philippine National Police] intelligence report stating the party would be used as a front by communist-sponsored candidates in the May elections.

"We have had enough of red-baiting and witch-hunting under the Marcos regime, without having to go through the same experience all over again under the Aquino regime," said PnB president Etta Rosales.

Rosales noted that the PnB is a political party registered with the Commission on Elections.

She also said the campaign for a free, clean and meaningful elections has been central to the party's preparations for the May polls.

Bicol Communist Rebels Said 'Open to Settlement'

HK2001071892 Manila MANILA BULLETIN in English 19 Jan 92 p 7

[By Florencio Narito]

[Text] Legazpi City—Reacting to the Nov. 22 pastoral letter of the Diocese of Legazpi which urged rebels to lay down their arms and embrace democracy, the National Democratic Front [NDF] in Bicol recently said that it was "open to political settlement if only to give peace a chance including actual declarations of limited ceasefires."

The letter, dated Jan. 7 and addressed to Bishop Lucilo Quiambao and the reverend fathers of the diocese of Legazpi, was signed by Charlie de Luna, NDF preparatory committee spokesman, after consultations with the Bicol regional party committee of the Communist Party of the Philippines [CPP] and the regional operations committee of the New People's Army [NPA].

Copies of the NDF letter were also sent to local newspapers and radio stations.

"We really are not for violence," the letter said. "In fact, we ourselves despise violence. If only we still have an option..."

He stressed that they were waging a revolution because they want peace. "Our intention is to overhaul society from its purely profit-oriented market systems where the person is reduced to a commodity with its corresponding price similar to any product to service structures in economy and politics," he added.

De Luna pointed out, contrary to misconceptions, the insurgents were not fighting for their party and ideology alone because "our party and ideology are but vehicles for our cause (which is) the total liberation and development of man to his fullest potentials."

At the same time, the NDF spokesman said they will continue launching military operations but they should be carried out in accordance with the established rules of war by safeguarding civilian lives, particularly women, children and the handicapped, and the protection of wounded or captured enemy troops.

Although communism has crumbled in Europe, followers of the CPP-NPA-NDF continue to believe that theirs is not a lost cause simply because the Aquino regime has failed to be truly democratic and pro- people.

"We shall never abandon our cause because we have committed ourselves to this noble cause of serving the people and our country," NDF spokesman said.

He said the rebel groups welcome criticisms from the Catholic hierarchy hoping to keep channels of dialog and understanding open to each other.

Thailand

Government Offers Easy Credit Terms to Russia

BK1801013192 Bangkok THE NATION in English 18 Jan 92 p A1

[Text] Thailand is offering to extend a substantial economic aid package, including the sale of rice on credit, to Russia, as part of an international effort to ward off mass starvation in the former Soviet republic, according to MP's [Prime Minister] Office Minister M.R. Kasemsamoson Kasemsi.

Kasemsamoson told The Nation in an interview yesterday that under the aid package Thailand would extend packing credit worth several hundred million baht to Thai exporters trading with Russia and offer to sell 100,000 tonnes of rice on short-term credit.

The move is aimed at establishing rapprochement with the new Republic of Russia and other former Soviet republics, which would pave the way for future economic cooperation and trade, following the demise of the Soviet Union, the office minister said.

"The value of the packing credit for Russia will be several times greater tham that (Bt [baht] 150 million) for Vietnam," the minister said without providing details. "The Thai government has yet to finalize details of the packing credit."

Through packing credit, exporters can seek export financing with favourable terms from the bank of Thailand through commercial banks. In most cases, funds can be made available at relatively low interest rates and for up to 80 per cent of the value of goods for export on deferred payment terms ranging from three to six months.

He described the packing credit as "humanitarian aid" which would be different from that for Vietnam in that it would be a short-term credit whereas Vietnam will receive long-term assistance.

"The short-term packing credit is basically humanitarian assistance because Russia will not have to pay for the exports from Thailand at once," Kasemsamoson said. "The packing credit will virtually become grant aid in the event of a high rate of inflation."

The Thai aid package for Russia would benefit rice farmers in Thailand in that it would help maintain the price of the crop in the local market.

The minister said the idea of extending economic aid to Russia was raised with Prime Minister Anan Panyarachun by US President George Bush during the former's visit to Washington late last year.

The US government has invited Thai government representatives to attend a 60-nation ministerial meeting between Jan 22 and 23 in Washington to discuss international food and medical aid to the former Soviet republics. Kasemsamoson will head the Thai delegation at the Washington conference.

It is estimated that the planned aid to the former Soviet republics will amount to US$30 billion (Bt 750 billion).

"Although the amount of Thailand's contribution to the international aid package is like a drop of water in the ocean, we hope that our aid will be appreciated as a gesture of goodwill," Kasemsamoson said.

The minister said he believe most of the trade interaction between Thailand and the former Soviet republics in the future would be in the form of barter because their currencies are still not convertible in the international monetary system.

He also pointed out that Thai businessmen should seriously consider trade and investment opportunities in Russia and other former Soviet republics, particularly in poultry farming.

Sub-Standard Quality Arms Purchased From PRC

BK1901124192 Bangkok BANGKOK POST in English 19 Jan 92 p 1

[Text] A large quantity of heavy weaponry and armour bought by the Royal Thai Army from China at "friendship prices" is not up to the required standard and quality, putting a question mark over whether it was worth spending the huge sum involved, according to a commentary that appeared in a recent journal of the Ministry of Defense.

The commentary, written by Cpt Paruhat Chantharakun in the January issue of Lak Muang journal, raised concern about the Chinese armaments bought since 1986 at a "friendship prices" and already delivered.

They include 100 to 110 T-69 tanks and repair and pontoon-laying trucks, 100 T-85 armoured personnel carriers, 300 armoured cars and an unspecified quantity of artillery and anti-aircraft guns.

The weaponry has been deployed among the 9th, 3rd, 6th and 2nd infantry divisions.

The armaments are not the types required, the quality is not as expected and above all, the Thai Army will have to face this problem for a long time, said the commentary.

Regarding the Chinese tanks, the commentary said the Army had expected the tanks to be equipped with Western-made guns, but instead they were fitted with Soviet-made guns so the tanks could not share the same type of shells as US-made M48-A5 medium tanks.

Other points of concern are the tank tracks, the firing control systems and the shortage of spare parts, the article said.

The short-life of the tracks and the shortage of replacements have left some tanks inoperational. The accuracy of the firing control system is below standard, wrote Cpt Paruhat, adding if new weapons are to be secured from other sources, a huge budget will be required.

The four Chiang Hu 4-class frigates and two Chiang Hu 5-class frigates being built in China for the Royal Thai Navy [RTN] are also facing problems, he wrote.

The frigates are not combat proven to the satisfaction of the RTN, but the RTN has to accept their delivery, he wrote.

Comments of Army Chief

BK2001154392 Bangkok Army Television Channel 5 in Thai 1230 GMT 20 Jan 92

[Text] Supreme Commander and Army Chief General Suchinda Khraprayun gave an assurance that various kinds of weapons purchased from foreign countries are up to quality standards and are functioning properly. Concerning the issue of weapons from China, Gen. Suchinda said a clarification had been made by the defense permanent secretary to the effect that the article, published in a Thai military journal, was translated by a retired officer from the original version in a Western journal, and the writer did not know the facts.

[Begin recording] [Suchinda in progress] This was the opinion of foreigners—what they think about us, and how they look at us. There was no political purpose to it, and it is not damaging since there is no truth to it. We are ready to let them look at the weapons, and we have put them on display quite often.

[Unidentified correspondent] Will this affect our relations with China?

[Suchinda] There is no truth to the story. Concerning the weapons we bought from China, it is impossible to expect them to match those manufactured with Western technology—especially concerning certain types of weaponry—given the fact that there is a big difference in their prices. This is the same situation as that concerning the prices of cars manufactured in different countries. How could we expect them to be of the same quality? Concerning the frigates: they are of good quality. You could ask the prime minister about this, since he already visited a frigate for inspection purposes. There is no problem whatsoever.

[Correspondent] What will be Thailand's policy concerning trade with China from now on?

[Suchinda] We will continue to buy from China depending on what types of weapons we need and what types of weapons China has to offer. For instance, the Army is now looking for transport trucks.

[Correspondent] In your capacity as supreme commander, what will be the policy concerning arms procurement in future?

[Suchinda] There is only one policy—we want weapons of good quality at reasonable prices. That is the policy. [end recording]

Anan, Military Officials on Purchase

BK2001095892 Bangkok Radio Thailand Network in Thai 0530 GMT 20 Jan 92

[Text] Before attending a Cabinet meeting at Government House this morning, Prime Minister Anan Panyarachun granted an interview to reporters on a recent newspaper commentary, which stated that some arms that Thailand purchased from China are not up to required levels of quality.

Regarding the issue, the prime minister said it was just a news report. However, any decision on arms purchases is up to the discretion of each armed force, he said.

On the same issue, Air Chief Marshal Suthep Theppharak, deputy communications minister and Air Force chief of staff, commented that the weaponry bought from China should be of considerably fine quality, because in the process of purchasing arms, each armed force must have checked that the weapons were of good quality. He pointed out that if they were proven not to be up to good levels of quality, they would have not been purchased.

Air Chief Marshal Phisit Salikhup, deputy defense minister, remarked that the matter rests with the discretion of each armed force. Asked if he had observed a demonstration of the use of the Chinese weaponry, Phisit said that to his knowledge the arms are acceptable. However, he said, those arms probably will not be able to match the capabilities of certain high-potential weapons. In terms of function and cost, the Thai Armed Forces must have seen that those arms could be put into use efficiently.

Asked if the arms purchase suits the present situation, the defense minister replied that we should always be well-armed. We should never be overconfident regarding any situation. He concluded that despite the public belief that there war no longer exists, we can never be too sure whether or not fighting will erupt, due to the fact that there are still conflicts between some countries.

Navy Defends Purchase of Frigates

BK2101012592 Bangkok BANGKOK POST in English 21 Jan 92 p 3

[Text] Top Navy commanders deny totally that Chinese-made Chao Phraya-class frigates are outmoded or substandard and say no arms dealer was involved in the procurement of the ships at a "friendship" price.

Navy deputy commander-in-chief Adm Thawatchai Kosonnawin said yesterday the Chinese are well known as first-class warship manufacturers using integrated ship-building technology.

Judging from war games conducted among Navy ships so far, the 1,800-ton warships, dubbed Jianghu-class frigates by the Chinese Navy, have proved to be quite manoeuvrable and meet the required standards set by the Thai Navy, Adm Thawatchai said.

The Navy has been satisfied with two of the Chao Phraya-class frigates, the Chao Phraya and Bang Pakong already deployed, and will be similarly satisfied with four others to be delivered from China.

"We sent teams of Navy officers to China to inspect (the making of the Chao Phraya frigates) all the time. Then the Chinese Navy sent their officers here to help," Adm Thawatchai said.

Navy commander-in-chief Adm Wichet Karunyawanit is visiting China to formally receive the third frigate, named Saiburi.

The three others, Kraburi, Naresuan and Taksin, will follow at six-month intervals.

The six ships include two with a helipad at the stern.

The Navy deputy chief's remark followed a rare comment on such issues—a translation of a foreign magazine article by Lt Pharuhat Chantharakunin this month's issue of the Defence Ministry's LAK MUANG journal.

The officer, Lt Pharuhat, no longer serves in the ministry.

Adm Thawatchai noted that the criticism of Chinese weapon systems emerged when some former military leaders were campaigning for the March 22 general election.

His remark apparently referred to ex-Army chief Gen Chawalit Yongchaiyut, the leader of the New Aspiration Party, who had introduced Chinese heavy weaponry and armour to the Thai armed services.

The Thai Army uses Chinese-made T-69 tanks and T-85 armoured personnel carriers.

Lt Pharuhat's commentary in the journal was largely a translation of an article published in the MILITARY TECHNOLOGY defence magazine, which is based in Germany.

"They had talked about F-16 fighters. But the Air Force has just bought a second batch of F-16s. Now they've turned to the Navy," Adm Thawatchai said.

He said there had been no commission for any arms agent to buy the frigates because it was only a deal between the Thai and Chinese governments.

According to news reports on Monday, some of the Navy's arms procurement projects have allegedly passed through an arms dealer "who is a high-society woman, believed to be Rasi Bualoet". Ms Rasi is reputed to be Thailand's No. 2 arms dealer after Naowarat Phathanodom.

"It had nothing to do with any arms dealers. It was a G-to-G Affair," Adm Thawatchai said.

Royal Fleet commander Adm Prachum Khruawan said the technology, weapons systems and equipment installed on the Chao Phraya-class frigates are applicable although they are comparatively inferior to Western ones.

Put to test, the fire control system aboard the Chinese frigates, dubbed Jianghu-class ships by the Chinese Navy, has shown high precision and reliability, Adm Prachum said.

Prime Minister Anan Panyarachun and Press members visited the Chao Phraya frigate late last year and witnessed the firing of some guns aboard, the Royal Fleet commander said.

Adm Prachum said that the Chinese frigates, procured when Adm Praphat Kritsanachan was Navy chief, meet all the Navy's specifications.

"We're positive every part (of the ship) meets the specified requirements. The ships were bought on a G-to-G basis," he said.

Asked about criticism that some parts of the Chinese ships might already have been used but made to look new, Adm Prachum said every piece of the vessels is brand new.

"Not a single piece has been used before. Not even a nut on the ship," he said.

Air Force Seeks Funds To Purchase Fighters

BK2101011392 Bangkok BANGKOK POST in English 21 Jan 92 p 1

[Text] The Air Force is seeking 17,000 million baht from the Government's central fund to finance the purchase of 40 AMX fighters, a highly-placed source said yesterday.

The Air Force has no budget to buy the AMX—a joint Italy-Brazil venture—so it sought central funding from the Government to finance their purchase, according to the source who requested anonymity.

The Air Force's plan, which calls for purchase of 40 tactical fighters partly to replace the ageing US-made F-5 Tiger fighters, will be considered tomorrow by the National Security Screening Committee before it is forwarded for Cabinet approval.

The AMX procurement plan follows Cabinet approval late last month for the purchase of a second batch of 18 US-made F-16 Fighting Falcon fighters at a cost of 15,175 million baht.

Aermacchi & Aeritalia of Italy and Embraer of Brazil jointly produce AMX fighters.

Earlier, the Air Force had pushed for the procurement of six US-made CH-47 Chinook helicopters at a cost of 5,600 million baht to be drawn from the Aviation Department budget.

The National Security Screening Committee, chaired by Deputy Prime Minister Phao Sarasin, rejected the Chinook plan due to budgetary constraints and nuclear procurement objectives.

Official on Role of Joint Malaysian Agency

BK2001053392 Bangkok Radio Thailand Network in English 0000 GMT 20 Jan 92

[Text] The setting up of the Thai-Malaysian agency to handle prospecting and exploitation of mineral resources in the overlapping zone has made good progress as it has been accorded their legal status as a juristic entity.

Director General of the Department of Mineral Resources Wisit Noiphan said that after 11 years of negotiations the move taken was a breakthrough. The joint agency as a juristic entity is empowered to grant rights and concessions in mineral resources prospecting and exploitation in the overlapping area.

The structure of profit-sharing and investment has been decided. On the Malaysian side, [name indistinct] company will be the representative while Thailand keeps to her concession granting system.

Mr. Wisit points out that utilization of mineral resources in the overlapping offshore area of both countries can now be speeded up.

Chamber of Commerce Mission To Visit Burma

BK2201005392 Bangkok BANGKOK POST in English 22 Jan 92 p 3

[Text] A five-member mission of the Samut Prakan Chamber of Commerce will visit Burma on February 10 to survey investment opportunities there, chamber director Charun Yangpraphakon said yesterday.

The contact is underway between the chamber and Burma's Ministries of Industry, Commerce and Agriculture.

Mr Charun said the trip would pave the way for Thais to invest in Burma, particularly in such industries as food-processing, mineral and jewellery.

A Thai investor has reached an agreement with the Burmese Government to invest in a castor plantation and export the seeds to Thailand, according to Mr Charun.

Border Police Fight Intruding Burmese Troops

BK2201004792 Bangkok BANGKOK POST in English 22 Jan 92 p 7

[Text] Chumphon—Border Patrol [BPP] policemen have had several clashes with Burmese soldiers who have built bunkers and defensive positions on a hill in Thai territory.

An informed BPP source said about 60 Burmese soldiers who slipped across the border into a forest in Thamdin village, Tha Sae District, to attack fleeing Karen rebels have occupied Hill 491 since last week.

The source said the BPP force, supported by armoured personnel carriers and light artillery, engaged the Burmese force in a bid to push them back across the border.

The source said the attempt was unsuccessful but other attack plans are now being drafted.

Reports on casualties were not available as the scene of the fighting is in remote jungle, said the source, adding that last Saturday the bodies of three Burmese troopers, believed killed by Karen rebels, were found and cremated by the Thai policemen.

The source said about 10 Burmese infantry battalions mounted an assault on the Karen National Union's garrison at Yuaheaylu, about 30 kilometres from the Tha Sae District border. The rebel camp was manned by 300 warriors.

The fighting spilled across the Thai border, the source said.

UNTAC Head Hopes for Cambodian Deployment

BK2101135592 Hong Kong AFP in English 1044 GMT 21 Jan 92

[Text] Bangkok, Jan 21 (AFP)—The head of the United Nations Transitional Authority in Cambodia (UNTAC) said here Tuesday he hoped UNTAC's massive presence would begin before the upcoming rainy season starting around April.

Yasushi Akashi said he expected the United Nations to follow emergency procedures to secure a budget of 200 million dollars needed to cover initial costs of buying vehicles and providing accomodation for UNTAC civilian and military personnel.

Under a Paris peace treaty signed in October between the Phnom Penh Government and guerrilla forces dominated by the Khmer Rouge, UNTAC is to maintain peace in Cambodia until elections in 1993.

"We'd like to start as soon as possible, certainly prior to the start of the rainy season," Akashi told reporters on arriving here from Tokyo.

Akashi, who is from Japan, is due to leave here Wednesday for Phnom Penh on a five-day visit to Cambodia which will include talks with Prince Norodom Sihanouk, the neutral head of Cambodia's reconciliation body, and leaders of the rival Cambodian factions.

He is due to meet later Tuesday with Thai Foreign Minister Arsa Sarasin.

Only hours before Akashi's arrival the Khmer Rouge, in a radio broadcast monitored here, accused Phnom Penh forces of violations of the Paris accord.

The radio, reporting heavy fighting in the strategic central province of Kompong Thom, also warned "the war is not yet ended."

Akashi, who was appointed UNTAC chief on January 9, said he would return to New York after his visit to Cambodia to report to UN Secretary General Butrus Butrus Ghali.

Butrus Ghali would then turn to the UN Security Council to request the initial budget of 200 million dollars, he said.

But he said "an unusual, exceptional procedure" could be adopted through the UN's Advisory Committee for Administrative and Budgetary Affairs, adding "we feel that this operation requires that sense of urgency."

The procedure would allow for the adoption of the 200 million dollars before the UN had approved the full cost of UNTAC, which is the world body's biggest ever peacekeeping operation.

Bank To Open Branches in Laos, Cambodia

BK2101030592 Bangkok THE NATION in English 21 Jan 92 p B10

[Text] Thai Farmers Bank is about to spread its wings around the region to cope with the increasing economic cooperation between Thailand and the Indochinese countries.

The bank is to open a branch in Laos and a joint venture branch in Cambodia within this year, said Banthun Lamsam, the newly-appointed president of the bank.

As for Vietnam and Burma, he said the bank would put on hold plans to enter these countries pending more information and a feasibility study on business opportunities there.

Banthun said the branch in Laos is expected to be operational first since the bank had recently been given a licence by the Laotian government to open a branch there.

"We think that the bank's branch in Laos should become operational within this year and currently we are preparing our staff and some facilities for the new bank," he said.

He noted the growing bilateral trade between the two countries: "You can see that a number of Thai traders in Nong Khai are engaged in business with their trading counterparts in Vientiane."

On the branch in Cambodia, Banthun said the Cambodian government had agreed in principle to allow the bank to set up a joint venture operation in which Thai Farmers Bank would have a majority 90 per cent stake with the Central Bank of Cambodia holding the remaining 10 per cent.

"Although the contract to set up the new bank has not been signed yet, I expect that there should be no problem for the new joint-venture."

Two Chat Thai Leaders Join Samakkhi Tham Party

BK2201013992 Bangkok THE NATION in English 22 Jan 92 p A3

[Excerpt] Former Chat Thai Party leaders Pramuan Saphawasu and Anuwat Watthanaphongsiri announced officially yesterday that they will compete under the banner of Samakkhi Tham Party in the March 22 general election.

Pramuan and Anuwat said they had consulted each other many times before joining the military-backed party. Pramuan said he had been approached by Samakkhi Tham Party leader Narong Wongwan, who is said to have close relations with him. [passage omitted]

NAP in 'Shambles' as Key Figure Quits

BK2201015592 Bangkok THE NATION in English 22 Jan 92 p A1

[Excerpts] A new wave of internal conflicts is rocking the faction-ridden New Aspiration Party [NAP] with the resignation yesterday of another key member and the looming confrontation between the party's executive board and deputy NAP leader Wira Musikaphong.

"This party is in a shambles," said a grim-faced Komet Khwanmuang after he submitted his resignation letter to NAP Secretary-General Phisan Munlasatsathon. He declined further comment.

Komet had been selected to lead an NAP team of candidates in the southern province of Surat Thani.

According to party sources, Komet said in his resignation letter that his intention to quit was irreversible unless the party's board overrides a list of southern candidates announced Monday by Wira. [passage omitted]

Sources said a total of six NAP members, excluding Komet, have formally left and it was likely several more would follow suit.

NAP leader Gen Chawalit Yongchaiyut has tried to play down the conflicts in his party. But the sources said tension had risen again after Wira, a southern political veteran, announced the list of poll candidates for the South.

Chawalit was scheduled to meet senior party members last night in a bid to resolve up the problem.

"If they fail to solve the conflict, the party will be in for another troublesome period," one of the party sources said.

Vietnam

Former KGB General To Testify at U.S. Senate

BK1801060092 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 18 Jan 91

[Text] According to New York sources, the U.S. Senate's Select Committee on POW-MIA Affairs will hold an open hearing in Washington on 21 and 22 January to hear U.S. and former Soviet intelligence analysts testify over the issue of American servicemen still held captive in Vietnam.

Former KGB General Oleg Kalugin, whose unconfirmed allegation that KGB investigated American prisoners in 1978, will testify at the open hearing on this issue before the committee on 21 January. Kalugin secretly met with this committee as soon as he arrived in the United States last week to promote his book on the August 1991 coup d'etat in the Soviet Union.

During a meeting with the Foreign Relations Council in Los Angeles on 13 January, Kalugin once again affirmed that none of the American prisoners held captive in Vietnam had been sent to the Soviet Union.

Vice Premier Receives Japanese Businessmen

BK1601152092 Hanoi VNA in English 1513 GMT 16 Jan 92

[Text] Hanoi VNA Jan. 16—Vice Premier Phan Van Khai has received here a group of Japanese businessmen led by Mr. Ken Shirakawa, president of the Kotobuki Corporation.

The guests were from the Kotobuki Corporation, the Japanese Import-Export Bank, the Japanese-US Consultative Company and the Hazama Corporation.

Speaking at the reception, Vice Premier Khai reaffirmed Vietnam's commitments to create favorable conditions for foreign partners to make investments to enter into joint ventures in production, trade and other economic fields in Vietnam.

The Japanese businessmen had working sessions with the State Planning Committee, the State Committee, the State Commission for Cooperations and Investment, the Bank for Foreign Trade and other economic establishmemts in Hanoi and Ho Chi Minh City.

Guangxi Delegation Visits, Meets Leaders

BK1701152992 Hanoi VNA in English 1521 GMT 17 Jan 92

[Text] Hanoi VNA Jan. 17—A delegation of the Guangxi Zhuang Autonomous Region of China led by Chairman Cheng Kejie made a visit to the Provinces of Lang Son and Quang Ninh, Haiphong City, Hanoi, [and] Ho Chi Minh City of Vietnam from Jan. 5-17.

The delegation met with officials in Lang Son and Quang Ninh Provinces on measures to open soon the border gates in furtherance of the provisional agreement on the settlement of the border issue reached between the two countries during the November 1991 China visit by a high-level Vietnamese delegation. The two sides also discussed measures to promote their trade, economic, and technological cooperation on the basis of equality and mutual benefit.

On Jan. 16, the delegation was received by Vice Premier Tran Duc Luong who warmly welcomed the guests' visit and highly appreciated the results of their talks with Vietnamese officials in the above localities. He expressed his hope that the cooperation between Guangxi and Vietnamese provinces and cities, first of all northern border provinces, would further consolidate and develop.

The delegation was also received by Foreign Minister Nguyen Manh Cam, Chairman of the State Planning Committee Do Quoc Sam, and the mayors of Hanoi and Ho Chi Minh City.

Phan Van Khai, Le Mai Meet Quebec Minister

BK1701155192 Hanoi VNA in English 1529 GMT 17 Jan 92

[Text] Hanoi VNA Jan. 17—Vietnam and Quebec of Canada have agreed to step up their economic and technical cooperation.

The agreement was reached here yesterday during talks between Deputy Foreign Minister Le Mai and Minister of External Relations of Quebec John Ciaccia who was accompanied in a visit to Vietnam by some 30 representatives of more than 20 major companies and universities in Quebec.

In Hanoi, John Ciaccia and his party were received by Vice Premier Phan Van Khai and Foreign Minister Nguyen Manh Cam, who warmly welcomed the visit as a new step of development in the cooperative relations between Vietnam and Quebec in particular and between Vietnam and Canada in general, and expressed Vietnam's desire to broaden the relations of mutually beneficial cooperation with other countries in the world.

For their parts, the Quebec side expressed the admiration for the socioeconomic achievements recorded by the Vietnamese people in the renovation process as well as their desire to further strengthen the all-sided relations between Quebec and Vietnam.

The Quebec delegation today left here for Ho Chi Minh City.

Vo Van Kiet Meets Italian Foreign Minister

BK1601093192 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 5 Jan 92

[Text] Council of Ministers Chairman Vo Van Kiet received Italian Foreign Minister Gianni De Michelis and his entourage on 5 January at his office. He warmly welcomed the Italian Foreign Minister's visit to Vietnam, describing it an important contribution to accelerating bilateral friendship and cooperation.

The chairman of Council of Ministers briefed the Italian foreign minister on the achievements of the Vietnamese people in implementing the renovation recently. He also presented the ways in which this was done and asserted the Vietnamese people's determination to overcome their ordeals to fulfill all tasks. The Chairman highly appraised the results of the talks between Vietnamese Foreign Minister Nguyen Manh Cam and his Italian counterpart on issues of mutual interests.

On behalf of the Vietnamese Government, Chairman Vo Van Kiet thanked the Italian Government for its development aid to Vietnam for 1990-92 and for its expanded aid program for 1993-95. He expressed the Vietnamese Government's hope for expanding cooperation with the Republic of Italy in all areas.

Phan Van Khai Receives German Minister of State

BK1701064392 Hanoi VNA in English 0552 GMT 17 Jan 92

[Text] Hanoi VNA January 17—Phan Van Khai, vice chairman of the Council of Ministers, has received here Mrs. Ursula Seiler-Albring, minister of State of Germany's Foreign Ministry, during her official visit to Vietnam.

Speaking at the reception Vice Chairman Phan Van Khai thanked the German Government for resuming its aid to Vietnam and helping it promote relations with the European Economic Community (EEC) and with international financial and monetary organizations.

He affirmed Vietnam's consistent policy in shifting its economy to a market economy, developing the multisector commodity economy, broadening relations with other countries.

The Vietnamese vice chairman also affirmed Vietnam's wish to further devlop its multi-faceted relations with Germany.

For her part, Mrs. Seiler-Albring highly valued the Vietnamese people's achievements in the process of renovation. She said that the FRG Government attaches importance to the development of the multilateral relations with Vietnam.

Host and guest also dealt with concrete measures to accelerate the relations between the two coutries in the future.

Also present at the reception was Peter Schmidt, charge d'affaires a.i. of the German Embassy in Vietnam.

Nguyen Khanh Receives Indonesian Delegation

BK1601132192 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 1 Jan 92

[Text] On the afternoon of 31 December 1991 in the Presidential Palace, Nguyen Khanh, vice chairman of the Council of Ministers received a high-ranking delegation from the Indonesian Peasants Association (HKBI) led by (Isma Hatan), its vice chairman. Hoang Hong That, acting chairman of the Vietnam Peasants Association was also present at the reception.

On behalf of the delegation Mr. (Isma Hatan) thanked the Vietnamese Government for enabling the delegation to work with the Vietnam Peasants Association and visit some localities. The delegation also highly valued Vietnam's encouraging achievements in agriculture brought about by the renovation policy that allows peasants to fully exploit land, nature, and labor.

During its visit, the association exchanged working experiences in management and rural development with its Vietnamese counterpart. The two associations also officially established ties on the principles of peace, friendship, cooperation, and development for the legitimate interests of the peoples of the two countries.

Vice Chairman Nguyen Khanh welcomed their visit and briefed the delegation on Vietnam's renovation policy which is paying a lot of attention on agricultural production. The policy is also creating favorable conditions for peasants to fully develop their capabilities, cultivate their land, and accelerate agriculture and rural development.

He hoped that ties between the two associations through the visit would further develop and would contribute positively to the implementation of the agreements issued in the Vietnam-Indonesia Joint Communique in October 1991 by the governments of the two countries.

State Bank Approves Opening of Six Foreign Banks

BK1701120792 Hanoi VNA in English 1130 GMT 17 Jan 92

[by Andrew Sherry]

[Text] Hanoi, Jan 17 (AFP)—The State Bank of Vietnam (SBV) has given Bangkok Bank Ltd. authorization to open a branch office in Vietnam and told five other foreign banks that permission would come soon, a senior SBV source said Friday.

The five others are Australia's ANZ Banking Group Ltd. and four French institutions: Banque Indosuez, Banque Francaise de Commerce Exterieur (BFCE), Banque National de Paris (BNP) and Credit Lyonnais, he said.

But the source stressed that "formalities" had to be completed before the six received the operating licenses that would allow them to be the first foreign banks to open commercial branches in Vietnam.

Vietnamese banking regulations specify that foreign banks must first obtain authorization in principle to open a branch and subsequently work out details on the branch's operations with the SBV.

The Council of Ministers instructed the SBV to deliver Bangkok Bank's written authorization on Wednesday during Thai Prime Minister Anan Panyarachun's official visit here, the source said.

"We originally wanted to grant the authorizations at the same time to keep a balance in our relations with the foreign banks," the source said. "Some of the French banks are more powerful than the Thais."

The SBV as a result convoked representatives of the five other banks on the same day to give them verbal assurances that their applications would be approved in principle, he said.

Vietnamese Premier Vo Van Kiet took bankers by surprise Thursday when he told a press conference that Bangkok Bank was "one of the first three foreign banks authorized to open branches in Vietnam."

Granting branch licenses to additional foreign banks would depend on "the economic development of Vietnam," Kiet added.

He did not name the other authorized banks, but he may have been referring to two joint-venture banks with Indonesian and Malyasian partners that received commercial operating licenses within the past 15 months.

The SBV source could not explain why Kiet referred to just three banks and officials at the Council of Ministers were not available for comment.

A SBV spokesman denied that BFCE had been named as one of three winners, saying "they were invited to a meeting at the State Bank, just like the other three French banks, but they were given nothing on paper."

The spokesman, who asked that his name not be used, said he was not authorized to comment on the substance of the meetings or say what non-French banks had been convoked to the SBV.

An ANZ spokesman confirmed, however, that the Melbourne-based bank had been granted authorization to open a branch in Vietnam.

During Anan's two-day visit to Hanoi, Vietnamese authorities also pledged to "respond favorably" once the Thai Military Bank (TMB)—which has a representative office in Ho Chi Minh City—formally applied to open a branch, Thai Ambassador Surapong Jayanama said.

TMB has balked at the 15 million dollar capital requirement set by the SBV for foreign bank branches, Thai sources said.

Britain's Standard Chartered Bank and France's Societe Generale also have representative offices in Vietnam, but so far have not applied for licenses to open branches, Western banking sources said.

ANZ, Indosuez, BFCE, BNP and Credit Lyonnais all have representative offices in Vietnam.

Bangkok Bank does not, but Thai sources said it is negotiating with Vietnamese authorities to recover some the assets it abandoned when Saigon—now Ho Chi Minh City—fell to communist troops in 1975.

Government 'Ready To Join' ASEAN

BK2201042492 Hanoi Voice of Vietnam in English 1000 GMT 21 Jan 92

[Text] Vietnam is ready to join the Association of Southeast Asian Nations, ASEAN, as a full member at once. In an interview with the BUSINESS TIMES, Mr Le Mai, deputy foreign minister of Vietnam, said that Vietnam is ready to join ASEAN if its participation was approved by existing members.

Vietnam would first sign the 1976 ASEAN Treaty of Amity and Cooperation and thereby accept all principles on which the regional grouping rests. Then the next step will be to join ASEAN as a single group, but there should be agreement from the ASEAN countries.

Mr Le Mai continued: Vietnam's accession to the 1976 treaty would mark a new and quantum period for relations between countries in the region.

Review of Foreign Affairs in 1991

BK1501144792 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 29 Dec 91

[International Relations Journal's article: "Let Us Befriend All Countries in our Foreign Affairs Orientations and Strategies"; date not given]

[Text] The major events that shoke the world in 1991 had a profound impact on international relations and greatly affected the Socialist Republic of Vietnam's foreign affairs activities.

In early 1991, Vietnam still faced unfavorable conditions in its foreign affairs. The U.S. administration continued with its embargo against Vietnam and there were no prospects for better relations between the two countries. Normalization of ties with the Republic of China had not been achieved. In Southeast Asia, the Cambodian issue was still a great obstacle to establishing and expanding cooperation with ASEAN countries. Moreover, in terms of scale, Vietnam's ties with the Soviet Union had declined dramatically.

Obviously, this situation not only affected national and regional security but also Vietnam's efforts to overcome its prolonged socioeconomic crisis. In other words, the Vietnamese boat was sailing in an ocean full of obstructions. Many opinions from abroad expressed concern over Vietnam's international position while at home there was confusion.

Nevertherless, as the end of the year drew near, Vietnam's achieved the expected results. The signing of the Paris peace accord was the result of great efforts by various concerned parties in and outside Cambodia, including Vietnam which has done its best. As a result, the Cambodian issue turned to a new chapter. The great obstacle was overcome and a new opportunity opened for Vietnam to carry out its foreign affairs activities more effectively.

Vietnam's unswerving stand on normalizing ties with China has been implemented. Normally, this would be simple. However, given the long period of conflict and confrontation experienced by the two countries, it was a profoundly significant and meaningful act.

Progress has been made in establishing and expanding cooperation with the ASEAN countries. The assimilation of Vietnam into the Southeast Asian and the East Asian communities has ended the confrontational bipolar phenomenon in the region. It has also opened unprecedented prospects for regional cooperation.

Along with the settlement of the Cambodian issue, public opinion contended that a new chapter has been turned in its relations with China, especially when high-ranking officials of both sides held talks to diffuse the hostility built up during the past decade. Vietnam's relations with Japan, Australia, and other Western countries have improved. The development of bilateral relations with northwestern European countries has created good opportunities for Vietnam to establish relations with the EEC.

Despite the swift decline in its traditional economic ties with the Soviet Union and Eastern Europe, the report appraising Vietnam's foreign economic relations in 1991 shows that export targets were fulfilled and were sufficient to meet import requirements. This indicates that we can exploit our great potential in improving traditional and non-traditional relations with all countries in various regions of the world.

These achievements, on the one hand, were due to the changes in the world politico-economic atmosphere in the new stage. On the other, they were due to our great efforts in accepting new and correct concepts related to the international community as well as our prompt formulation of national policies in conformity with present international relations. Our efforts in this regard are very important because in international relations, each country's dynamism has a decisive bearing on its foreign affairs activities.

It is necessary to say that what we have achieved today was due to the great efforts we made when the policy on diversifying foreign affairs activities was officially formulated in mid-1988 based on the changing conditions of the world. However, it was not until 1991 that this policy was adopted as Vietnam's foreign affairs orientation by the Seventh CPV [Communist Party of Vietnam] Congress. The policy stressed that Vietnam wants to befriend all countries in the world community in its struggle for peace, independence, and development. This policy encouraged us to take many bold steps and to make breakthroughs in diplomacy beyond the expectations of experienced observers.

The new international atmosphere, especially the arrangement of the new world order and the integration of new forces—together with the trend of improving cooperation in Southeast Asia—are objective bases in the formulation of Vietnam's foreign affairs orientation. Today, with the exception of the forces that are trying to cling to their selfish interests and rigid concepts, countries are trying by all means to negotiate to establish cooperation.

The danger of war has not been completely eliminated. However, the trend toward economic cooperation has gradually gained momentum in international relations. There is an equal need for big powers as well as small countries to promote economic cooperation. The same is true of both developed and developing countries. Little by little, people have come to realize the truth that it is the strength of economic growth and intellectual wisdom reflected by the level of economic, scientific, and technological development, and not military power, which serves as the yardstick of the level of development of a nation, no matter how big or small that nation may be.

In the eyes of foreign businessmen, Vietnam is an important area because on the one hand it still lacks modern technology, and on the other hand it promises potential interests. Moreover, foreign investors have found that the Vietnamese people belong to a nation full of vitality. Therefore, the trend toward business cooperation with Vietnam has developed in many parts of the world.

Perhaps we have never received so much news about the development of relations between our country and the outside world as we have in the remaining months of this year. It is that new atmosphere in international relations which requires us to be more dynamic in order to make full use of all outside factors to benefit national stabilization and development

For the sake of that goal—Vietnam wants to befriend all nations—quick efforts must be made to go beyond the framework of a slogan to formulate a foreign policy based on practical objectives, measures, and steps. In actual work it is necessary to try by all means to find the common denominators—peace, friendship, equality, and mutual benefit—and similarities, even the smallest ones, to guarantee that our interests conform with the interests of each country involved as well as of the world community.

As far as history is concerned, the relations between Vietnam and other countries have developed differently. There have been traditional ties of friendship. There have been cases of friendly relations developing into hostilities and vice versa. There have also been cases of hostilities dragging on and on. It must be said that those past relations have left their imprints on the new relations we want to establish with other nations.

Our nation as well as countries having relations with us must all make greater efforts if we are to preserve and develop traditional relations, overcome the inferiorty complex created by past hostilities, and make everyone aware of the need to concentrate on the present and future.

Let's establish and consolidate our friendly relations with all nations regardless of their social and economic systems. Wherever mutual benefits meet, let's establish cooperation. Wherever there are conflicts of interest, let's make efforts to promote cooperation.

In the process of establishing new criteria for making friends, we must take into account difficulties and limitations, even dark schemes and traps. However, right now we can say for sure that our desire to befriend all nations is not only a very promising orientation in foreign affairs, but also a theoretically and practically solid ambition capable of becoming a perfected foreign affairs strategy.

NHAN DAN on Political Security in 1991

BK1701125992 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 3 Jan 92

[NHAN DAN 2 January article by Pham Van Thach and Hong Vinh: "Political Security and Social Order and Safety Was Firmly Assured in 1991"]

[Text] Last year, our country was faced with crucial ordeals concerning the assurance of political security and social order and safety. With the collapse of socialism in Eastern Europe and the Soviet Union, hostile forces gloated and nurtured their frenzied ambition of wiping out socialism in the remaining countries, including ours. They bet that the so-called pluralistic wind from the West and Eastern Europe, which met the pressure of acute difficulties of an economic crisis, would inevitably burst into a flame of opposition to and attack on the renovation process. Quite a number of impatient people counted each day and left no stone unturned in an attempt to bear some effect on this opposition and attack, which, as they believed, would certainly have taken place before, during, or after the seventh party congress. What they had expected did not happen. Our state has always firmly maintained political security and social order and safety. Why so?

First, let us review some features of the so-called "new security strategy" of the U.S. imperialists—who judge Vietnam to be one of the last remaining communist countries—which involves the issues of so-called democracy and human rights, which are of concern to the United States. To implement this strategy, they have conducted a series of ideological motivation campaigns, among which was the establishment of "Free Asia Radio" to function like the Free Europe Radio that they formerly operated against Eastern Europe and the Soviet Union. They have upgraded the VOA [Voice of America] radio in Northern Thailand. Taking over this "new strategy," dozens of reactionary Vietnamese organizations in exile have bided and are biding their time. More than 600 newspapers and thousands of reactionary documents reeking of anticommunism and antisocialism have been siphoned into our country, aiming to stir up an atmosphere of fierce opposition. However, Vietnam is not an abandoned territory where they can rule the roost. The expected sudden shocks have not occurred. Internal political unity between the party and the people has intensified even more. Since the eighth plenum of the sixth party Central Committee, our party has clearly formulated its orientation: although renovation is necessary and inevitable, it must be carried out to create stability—political stability primarily. We have learned a profound lesson from the historical experience and the facts in Eastern Europe and the Soviet Union. As a result, the seventh party congress reaffirmed its resolution to firmly maintain political security and social order and safety. This position has been welcomed and supported by large numbers of cadres and people. This was the very reason why last year, although the ideological struggle took place fiercely, all subtle antisocialist arguments of various hues which entered our country met the opposition of large numbers of cadres and people. We already have the measures to nakedly expose the nature and dark schemes of these arguments and, at the same time, promptly prevent them from spreading and fomenting instigation.

Our state also adopted a wider open-door policy last year than in previous years. Hundreds of foreign delegations entered our country as tourists and investors to cooperate in economic projects. A few of them took advantage of opportunities to carry out their political plots of propagandizing the pluralistic and multipartite ideology, and to establish connections with hostile and dissatisfied elements inside the country in order to extend their instigating plot of opposing and attacking socialism. We have clearly seen the true nature of those villains and have caught them red-handed with undeniable legal evidence.

Those crackdowns on criminals which, in compliance with Directive 135 of the Council of Ministers chairman, the police played the key role, served as an important base for consolidating national security. Last year, the four crackdowns on criminals, which focused on the crucial periods when the hostile forces calculated their so-called timing and plans of action, have frustrated the reactionaries in exile and caused them to lose an important form of support. These crackdowns on criminals have created new strength, promptly restored social order and discipline, and consolidated the people's confidence in law and power of the socialist state.

Firmly grasping the viewpoints of combining suppression with education and conversion, and punishment with leniency, we have awakened criminals who recognized their guilt. Law enforcement sectors have closely coordinated with the local administration and party committee at all levels to expand the campaign to motivate criminals to surrender themselves, using the kindness of community and neighborliness to stir up their sense of citizenship. These measures have profoundly divided the hostile forces, neutralized their instigating operations, and increased the people's support for the policies to restore discipline and state law. Along with these meaningful activities, we have also made encouraging progress in the administration and education of convicts to rehabilitate them into good citizens. It should be noted that the enemy has capitalized on the detention of criminals to overstatement about the so-called Vietnam violation of human rights and Vietnam's inhumanity. Yet, hundreds of thousands of political prisoners and criminals have been released over the past few years. The fact that some foreign journalists have had a chance to understand and witness this has revealed the truth about who is humanitarian and who has abused the issue to slander and distort truth. However, the aforementioned results are neither fundamental nor stable. We have realized profoundly that antisocialist forces still continue to carry out their dark schemes, using tactful and subtle tactical maneuvers of impregnating the soil with the rain of interruption, in order to cause internal dissidence and depolarization. With such an idea in mind, we cannot belittle those erosive internal behaviors and those destabilizing factors which are tending to increase, such as smuggling, corruption, crime, and contradictory ideas among the people. Noteworthy is that corruption and smuggling have impregnated and are impregnating state agencies, eroding state institutions, and undermining the people's confidence in the new regime. Crime is on the rise—both in terms of number and seriousness, with more than 6,000 cases—along with an increase in social evils, which are degrading discipline and ethics and causing anxiety among the people. The masses are expecting and demanding law enforcement agencies to take vigorous measures to prevent and repel the abovementioned evils and, at the same time, expand propaganda and education to make the people live and work in accordance with law.

The pressing demands for intensifying party leadership concerning the assurance of order and security, consolidating and purifying the people's police ranks, accelerating the struggle against negativism in law enforcement agencies, and multiplying advanced models under the movement for national security defense, aim to regularize and stabilize our efforts to firmly maintain political security and social order and safety in 1992 and subsequent years.

Bui Thien Ngo Attends Anticrime Conference

BK1701102792 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 3 Jan 92

[Text] Tuyen Quang Province recently held a conference to review its two years of implementing Council of Ministers' Directive No. 135.

Attending and directing the conference were Comrade Bui Thien Ngo, member of the party Central Committee Political Bureau and minister of interior; Comrade Le Khanh Tien, acting head of the Police General Department; Comrade Ha Thi Khiet, member of the party Central Committee and secretary of the Tuyen Quang provincial party committee.

Over the past two years, Tuyen Quang Province has launched eight all-out attack drives against local criminals. The entire province has smashed 357 criminal gangs with a total of nearly 1,000 criminals, and has retrieved hundreds of millions of dong worth of stolen assets.

Attends Security Meeting

BK1701102592 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 1 Jan 92

[Text] On 30-31 December 1991, the Tuyen Quang Province People's Committee held a meeting to review the two-year implementation of the Council of Ministers' Directive 135 on the maintenance work of social security and safety. Comrade Bui Thien Ngo, member of the party Political Bureau and minister of the interior, attended the meeting.

In the past two years, Tuyen Quang Province has launched eight campaigns simultaneously attacking hooligans and thugs, destroying 35 gangsters with 957 criminals, and recovering hundreds of million dong and a great deal of illegal weapons. The law enforcement agencies have investigated, prosecuted, and dealt with 1529 criminal cases in which 695 cases with 277 defendants have been tried.

However, the province still has many cases of appropriating and embezzlement, which cause loss of billions of dong to state property. And the fighting against illegal activities has not been done strictly and properly and in some economic units, state organs, and mines, effecting the people's trust.

Speaking at the meeting, Minister Bui Thien Ngo hailed the party committees, government offices, public security forces, and the people of different ethnic backgrounds in Tuyen Quang for their good initial implementation of Directive 135 of the chairman of the Council of Ministers. He reminded the party committees to uniformly, skillfully, and determinedly apply many measures of educating, convincing, or administrative punishment for better results. And he urged the party committees, government offices, and public security forces at all levels to pay more attention to the building of local forces and to the acceleration of mass movements for national fatherland protection.

Phan Van Khai Visits Tornado-Hit Provinces

BK1701104792 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 6 Jan 92

[Text] As reported earlier, on 28 December 1991, during the northeastern seasonal winds a sudden strong hurricane off shore sank hundreds of fishing boats and trawlers along the coasts of Quang Ngai, Quang Nam-Danang and Thua Thien-Hue provinces.

On 3 and 4 January, Comrade Phan Van Khai, Politburo Member and Vice-Chairman of the Council of Ministers' Standing Committee, paid a working visit to Quang Ngai and Quang Nam-Danang Provinces and visited and donated relief aid to some fishers' families, which lost several members in Dien Son and Nui Thanh districts.

Working together with the council of ministers vice-chairman were Vice-Minister of Finance Ly Tai Luan and representatives of the Central Typhoon Control Committee, the Communications, Transportation and Postal Ministry; the Labor, Invalids and Social Welfare Ministry, and the Water Conservancy Ministry.

Australia

Yugoslav Envoy Protests Economic Sanctions

LD2101125192 Belgrade TANJUG in English 1058 GMT 21 Jan 92

[Text] Sydney, Jan 21 (TANJUG)—Charge d'Affaires at the Yugoslav Embassy to Australia Dusan Vukasinovic sent today a letter to the Australian authorities protesting over Australia's economic sanctions against the Yugoslav Republics of Serbia and Montenegro.

The letter, which was received by Minister of Overseas Trade and Development John Kerin, says that the sanctions are in discord with the basic principles of the General Agreement on Trade and Tariffs (GATT).

Regret is expressed in the letter for the fact that Australia "has applied a selective and discriminating principle towards some Yugoslav republics and their peoples, especially towards Serbia and its people, who bear the biggest burden brought upon by refugees from Croatia."

Australia introduced sanctions against Yugoslavia last November, but they are being applied only against Serbia and Montenegro as of January 1 this year.

The two republics no longer enjoy lower customs rates (initially granted to Yugoslavia as a developing country) for their exports to Australia. The privilege, which provides a five-point reduction in the customs rate for Yugoslav exports to Australia, has been re-applied to exports coming from the Republics of Slovenia, Croatia, Bosnia-Hercegovina, and Macedonia.

The letter expresses hope that Australia will follow the basic principles of GATT and Canberra's clearly expressed intention to cooperate with everyone in Yugoslavia, in order to put right this injustice and grant all economic subjects in Yugoslavia equal treatment.

Australia is one of the most active GATT members [words indistinct] founder of Cairns—a group of countries which export agricultural products and have invested great efforts in the past two years for the lifting of barriers in global agricultural trade.

Conservatives Lose New South Wales By-Election

BK1901132892 Hong Kong AFP in English 0834 GMT 19 Jan 92

[Text] Sydney, Jan 19 (AFP)—Pressure has been increased on Australia's only conservative government after voters gave the nod to the Labor Party in a New South Wales state by-election at the weekend.

The government of state Premier Nick Greiner lost the marginal seat of The Entrance in a 4.6 percent swing Saturday to Labor candidate Grant McBride.

Saturday's vote was ordered after Labor challenged the legitimacy of a handful of votes in the May election. The conservatives had won the seat by an 0.2-percent margin.

Conceding defeat late Saturday, Greiner said it would have been "a bloody miracle" if his government had won the seat, as any government facing the voters during a deep recession could expect to be punished by voters.

"It was the sort of kick in the pants you'd expect in a by-election, very much less than the average, less than it might well have been," Greiner told reporters Sunday.

The coalition Liberal-National Party Government now depends on the support of at least three of five independents to pass legislation, with the coalition and Labor each holding 47 seats after the by-election.

Greiner has the backing of one independent, while three others signed a memorandum of understanding to guarantee support in case of votes of no confidence, except in matters of gross misadministration or corruption. An election may be as far away as 1996.

Greiner said the by-election "will make no real difference to the operation of the parliament—it's been operating in a minority fashion for the past six months...it will keep on doing it."

But "the consultation process will have to be perhaps even better than it's been," Greiner said.

Analysts said there is no provision to hand over government unless Labor holds more seats than the conservative coalition.

Greiner said the by-election was decided on local issues, and criticism of the coalition's performance at the federal level under John Hewson could not be implied.

Labor Party state leader Bob Carr, however, said the result was a "stinging rebuke for Nick Greiner and a clear rebuff to John Hewson."

Labor controls the national government, and the state governments of Victoria, Queensland, South Australia, Western Australia and Tasmania.

Papua New Guinea

Prime Minister Seeks 'Immediate' Release of Ship

BK2201063092 Melbourne Radio Australia in English 0500 GMT 22 Jan 92

[Text] Papua New Guinea's prime minister, Rabbie Namaliu, says rebels on Bougainville Island are seriously jeopardizing any future aid effort by continuing to hold a ship and her crew hostage. The Cosmaris was seized by the Bougainville Revolutionary Army [BRA] 11 days ago after delivering Red Cross relief supplies to Kieta. The rebels are demanding peace talks be held at the Solomons capital, Honiara, and that general cargo be delivered to Kieta.

Mr. Namaliu had called for the immediate unconditional release of the ship, saying he will not consider peace talks until then. He said the BRA action is only serving to create more hardship for the people of central Bougainville as no shipping contractors will agree to sail to the island if they risk being held hostage.